

DAILY REPORT

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ANDROPOV, KADAR SCORE NATO 'STRATEGIC DESIGN'

OW200942 Beijing XINHUA in English 0721 GMT 20 Jul 83

[Text] Moscow, July 19 (XINHUA) -- Soviet leader Yuriy Andropov and visiting First Secretary of the Hungarian Socialist Workers' Party Janos Kadar today expressed their concern over the U.S. and NATO strategic design. They termed the NATO design as an attempt to "disrupt the military equilibrium in Europe and the world." The issue of "military equilibrium" is a long disputed one between the two superpowers.

During their meeting here today, Andropov and Kadar also expressed "serious concern at the aggravation of the international situation," the Soviet news agency TASS reported. They said they agreed to "deepening of interparty links at all levels" and pledged to "steadily consolidate cooperation in the political, economic, ideological and other spheres. A CMEA (Council for Mutual Economic Assistance) economic summit meeting will promote the economic integration among those countries within the Soviet bloc, the TASS report revealed.

Soviet Foreign Minister Andrey Gromyko and Hungarian Foreign Minister Peter Varkonyi also held talks here today during which they stressed "the importance of cooperation in the sphere of ideology."

Soviet First Vice-Chairman of the Council of Ministers Geydar Ali Rza oglu Aliyev had talks with Hungarian Premier Gyorgy Lazar here today on Soviet-Hungarian economic relations. The two countries signed a protocol on the production of alumina and aluminium. The Hungarian party and government delegation arrived here yesterday.

U.S., USSR CLASH ON HUMAN RIGHTS AT MADRID TALKS

OW191013 Beijing XINHUA in English 0846 GMT 19 Jul 83

[Text] Madrid, July 18 (XINHUA) -- The United States and the Soviet Union traded accusations over the issue of human rights at the Conference on Security and Cooperation in Europe (CSCE) here today. This war of words between the two superpowers broke out only three days after a provisional agreement on a final document was reached.

Speaking at the plenary session, chief U.S. negotiator Max Kampelman reminded the Soviet Union of the importance to put the agreement into practice. The United States cannot accept the realities in Poland and Afghanistan nor allow the Soviet Union to repeatedly violate the final document of Helsinki, Kampelman stressed. He asserted that repression of human rights in the Soviet Union was worse than at any time since the signing of the Helsinki accords in 1975.

Soviet Delegate Sergey Kondrashev interrupted Kampelman to refute the U.S. charges. Kondrashev said Kampelman's speech is the "most unworthy speech ever made" at the conference, calling it "confrontational, unworthy, fallacious, and a flagrant insult and injury."

Participants in the session were reportedly surprised at the new U.S.-Soviet wrangling when they were busy working at the final document of the conference.

SHIJIE ZHISHI DECRIES NETHERLANDS-TAIWAN AIR ROUTE

HK141356 Beijing SHIJIE ZHISHI in Chinese No 9, 1 May 83 p 9

[Article by Yan Mu: "Commenting on the Opening of Air Traffic Between the Netherlands and Taiwan"]

[Text] In January this year, the Netherlands authorities ratified an air service agreement signed between Martin Airlines of the Netherlands and "China Airlines" of Taiwan.

According to this agreement the Netherlands national airlines -- or the Royal Dutch Airlines, in the name of a chartered flight by Martin Airlines -- would fly a scheduled flight to Taipei once a week beginning 2 April, and "China Airlines" would also fly a scheduled flight to Amsterdam once a week starting 13 April. This is another act of infringing on China's sovereignty, interfering in China's internal affairs, and fabricating "two Chinas" practiced by the Netherlands Government after its approval for producing two military submarines for Taiwan in 1981. This is against the principle set forth in the communique in 1972 when diplomatic relations between China and the Netherlands were upgraded. Therefore, the Chinese Government lodged a strong protest with the Netherlands Government and solemnly demanded that it revoke its approval on that agreement. But the Netherlands Government turned a deaf ear to our protest and stubbornly persisted in its wrong stand. As a result, relations between China and the Netherlands were once again seriously impaired.

Judging from the relevant documents presented by both parties, the Netherlands Government has adopted a perfunctory and sophistical attitude toward the just stand and rational demand of the Chinese Government. They said that air traffic between the Netherlands and Taiwan was only "a pure business transaction" between two private corporations concerned, and the Netherlands Government "had not participated" and "was not in a position to stop it." They hollowly assured that the Netherlands Government "has always practiced a one-China policy" and maintained that the opening of the air traffic between the Netherlands and Taiwan "is not contradictory to" the stand mentioned in the communique. Time and again they explained that the opening of the air service was due to economic reasons and to the serious unemployment situation in the Netherlands, and that the ratification granted by the Netherlands Government was due purely to "technical" considerations. However, all these explanations are not tenable.

First, the Netherlands side took great pains in concocting this agreement. The so-called private company which signed the agreement on behalf of the Netherlands side was Martin Airlines, but the company which operates the air service is the Royal Dutch Airlines. The purpose of doing this is to coat this agreement with a tinge of "private management." A news agency in the West disclosed that the Ministry of Foreign Affairs of the Netherlands had warned the Royal Dutch Airlines of the possible further deterioration in relations between Beijing and the Netherlands if air flights to Taiwan were introduced. That means that the Netherlands Government knew very well the political significance of the matter.

The Netherlands Government holds 70 percent of the shares of the Royal Dutch Airlines, and it also holds 50 percent of the shares of Martin Airlines. Furthermore, the Royal Dutch Airlines holds 25 percent shares of Martin Airlines. It is not true to say that the agreement on air traffic between the Netherlands and Taiwan is purely an agreement between two private companies and the Netherlands Government is not in a position to intervene.

Secondly, and more important, is that air traffic involves sovereignty over the airspace of a country and is entirely different from ordinary civil trade. It is well known that no foreign plane can fly in a country's airspace or land on a country's territory without prior permission from a sovereign state. This is the ABC of international law. The "international civil aviation convention" of Chicago, which was participated in by both China and the Netherlands, also has very explicit stipulations on this. It is very obvious that Taiwan's planes cannot fly in the Netherlands airspace or land on its territory without lawful approval by the Netherlands Government. And it was precisely after the approval by the Netherlands authorities that the air service agreement between the Netherlands and Taiwan became effective. This fully demonstrates that the Netherlands Government did not stand idle regarding the question of air traffic between the Netherlands and Taiwan.

It should also be pointed out that in the communique of 1972 concerning the upgrading of diplomatic relations between the two countries, the Netherlands Government affirmed that it would respect the stand of the Chinese Government that Taiwan is a province of China, and that it recognizes the Government of the People's Republic of China as the sole legal government of China. That is to say, the Netherlands Government recognizes that the Chinese Government has the overall sovereignty over Taiwan. However, the Netherlands Government, without prior consultations with the Chinese Government -- not to say the consent by the Chinese Government -- approved the flight to Taiwan by the Royal Dutch Airlines. This action completely violated the solemn promise which the Netherlands Government had made.

Thirdly, does the Netherlands Government truly "implement a consistent policy of recognizing one China only?" History provides the best answer. It is universally known that from 1959 to 1972, diplomatic relations between China and the Netherlands remained at the level of charge d'affaires. The reason was that the Netherlands Government did not practice a one-China policy in an all-round way with regard to the issue of Taiwan. The fact that diplomatic relations between the two countries could be upgraded in 1972 was precisely because the Netherlands Government made the above-mentioned assurance after a series of discussions. However, after a period of smooth sailing in the relationship between the two countries, in 1981 there was the well-known "submarine incident;" that is, the Netherlands Government approved the sale of weapons to a local government of China for the purpose of opposing the Chinese central government, with the result that relations between the two countries were downgraded to the level of charge d'affaires. Obviously, the statement of the Netherlands Government that it has "consistently" implemented "a one-China policy" is contrary to facts.

Fourthly, one cannot use economic difficulties as a pretext to violate the fundamental criteria in international relations. It is true that capitalist countries in the West are currently caught in economic recession in varying degrees, and the Netherlands is no exception. But it is an act of perfidiousness to cast away the criteria for international relations just for the purpose of procuring some material benefits, and it is harmful to normal and friendly relations between countries.

The steps taken by the Netherlands Government in creating two Chinas also reveal that they are very short-sighted. Some discerning personnel in Western Europe have recently pointed out on different occasions that China's economy, contrary to the universal economic recession in the Western world, is in a uniquely outstanding situation after a few years' readjustment, and there are bright prospects and tremendous scope for developing economic and trade cooperation with China. The short-sighted policy pursued by some people in the Netherlands not only wrecks the hope of improving relations between China and the Netherlands, but also damages the long-term interests of the broad economic circles of the Netherlands who are willing to develop beneficial economic cooperation with China.

REAGAN SETS UP CENTRAL AMERICA COMMISSION

OW190935 Beijing XINHUA in English 0806 GMT 19 Jul 83

[Text] Washington, July 18 (XINHUA) -- U.S. President Ronald Reagan today announced the creation of a bipartisan national commission on Central America to consider a long-term U.S. policy for that tumultuous region. Addressing the International Longshoremen's Association convention in Hollywood, Florida today, President Reagan named former Secretary of State Henry Kissinger to head the commission.

The announcement came on the eve of a vote in the House of Representatives on American undercover operations in Nicaragua and a bill to cut off covert U.S. aid to the rebel groups in that country. It also came after the Contadora summit in Cancun, Mexico, had called for a halt of outside intervention.

President Reagan reportedly seeks from Congress 110 million dollars in extra military aid for El Salvador to resist a guerrilla war in that trouble-ridden country and 80 million dollars to finance covert operations by anti-government forces in Nicaragua. The Central America policy of the White House has been criticized by some Congressmen who fear that this policy would drag the United States into "another Vietnam-type war", and demand that an end be put to the U.S.-backed "secret war" in that region.

Reagan said the special commission will submit its recommendations to him before the end of the year, "will lay the foundation for a long-term unified national approach" to the Central American issues. Reagan in his speech today defended his moves in that region by calling for "providing a shield of military training and assistance" to the U.S. allies there and declaring that "America's emphasis in Central America is on economic and social progress, not on a purely military solution." He urged Congress to approve "the necessary resources" he plans to provide for Central America.

Reagan accused the Soviet Union and Cuba of "fuelling" a war in Central America from bases in Nicaragua and attacked the Nicaraguan Government for sabotaging and subverting El Salvador.

U.S. official sources said that the White House is attempting to use the commission as a lever to win a compromise between the administration and Congress on the continuous U.S. military aid to El Salvador and covert U.S. assistance to antigovernment forces in Nicaragua. Two U.S. Congressmen now visiting El Salvador Monday called Reagan's commission a "cynical ploy to torpedo debate" on a CIA-funded invasion of Nicaragua.

RENMIN RIBAO DISCUSSES U.S. ECONOMIC RECOVERY

HK150724 Beijing RENMIN RIBAO in Chinese 14 Jul 83 p 7

["Economic Notes" by: Er Dong "Some Are Optimistic, Some Sad"]

[Text] Along with the arrival of summer's high temperature, the U.S. economy has also gradually recovered its momentum. Recently, the U.S. Commerce Department estimated that the GNP in the second quarter may increase by 6.6 percent, and it also predicted that the annual GNP this year may grow by 5.5 percent. U.S. President Reagan also optimistically announced at a press conference: "The U.S. economy has begin to glow."

However, not everyone feels optimistic. For the 10 million jobless people in the United States things do not seem much better. Not long ago, a taxi driver in Detroit said heavyheartedly: "Will the economic recovery people often talk about a come to Detroit? As of now, I still see nothing."

One thing which he did see, however: the Order of Capuchin Friars recently opened a soup kitchen and this shows that the numbers of "customers" who need food handouts have increased further. In spring last year, the unemployment rate in Detroit was 19.5 percent, and this spring, the figure increased to 19.7 percent. At present, two-thirds of the residents in this "auto town" have to eke out their livelihood by depending on government relief and subsidies. A quarter of them are living below the officially prescribed poverty line. The unemployment rate for black youths is even as high as 68 percent.

This situation seems not in keeping with the "good omens" appearing in Detroit. This year thus far, automobile sales in the United States have increased by 6.7 percent as compared with the same period of last year. This has of course benefited Detroit, the "auto town," a great deal. Apart from the automobile industry, other relevant industries, such as steel products, rubber, hardware goods, and petrochemicals, have also turned the corner. However, while the economy is recovering, the serious unemployment problem in Detroit has not been mitigated but has become even more serious. One of the reasons for this is that although the crisis has come to an end, capitalists still have lingering fears and they are still trying hard to lower costs by careful calculation and strict budgeting in order to gain greater profits. In order to enhance productivity, on the one hand, they make use of existing manpower to the maximum degree by increasing labor intensity and requiring workers to work overtime and to work on weekends; on the other hand, they strive to improve production technology so as to shorten the necessary social labor hours of their products. However, they show no concern at all for the fate of workers who were sacked during the crisis. This is a common phenomenon whenever an economic crisis passes off. This is the case not only in Detroit but also in the rest of the United States and the entire Western world. For this reason, although the Western economy has begun to recover, it seems that jobless people will still have to worry about their work and lives for some time in the future.

ZHONGGUO QINGNIAN BAO LOOKS AT U.S. ECONOMY

HK170639 Beijing ZHONGGUO QIANGNIAN BAO in Chinese 9 Jul 83 p 3

["Question and Answer" Column: "The United States Is Heavily Indebted, But Why Is It Still a Rich Country?"]

[Text] I have read in the newspapers that the United States is the country that has borrowed the largest sum of money in the world, but in other materials it is said to be a rich country in the world; besides, it has often given support or made loans to other countries. Will you please explain why? How should we understand this?

[Signed] Xue Wu [5641 0124] Anhui

U.S. debts have climbed to over \$5,000 billion, of which national bonds amount to \$1,200 billion. In 1982, U.S. external debts reached \$576 billion; during the same year, its external loans reached \$640 billion. Therefore the United States has claims for \$64 billion in the outside world. The capacity for capital export of a nation also depends upon the amount of external debts of the nation concerned. When the net sum of external debts is very large, it will be impossible for it to continue its capital export on a large scale.

But why is it that a nation heavily indebted can still remain a rich country? A concise answer to the question is: Borrowing can stimulate the growth of the gross output value of the national economy. For instance, in running a factory, capitalist A possesses a capital of \$20 million. Under the condition of having no liabilities, the assets of the factory can only be \$20 million.

Supposing that the interest rate is 20 percent, and the annual output value of this factory is tantamount to the total sum of its assets, capitalist A will reap a profit of \$4 million. Now capitalist A asks for a loan of \$30 million from a bank, and expands the assets of the factory to \$50 million. If the interest rate remains unchanged, and its annual output value remains tantamount to its assets, capitalist A will be able to reap a profit of \$10 million. Deducting the sum of \$3 million as interest for the loan from the bank (supposing the interest rate is 10 percent), capitalist A will get a new profit of \$7 million, an increase of \$3 million from the original. This sum of \$3 million is the income of capitalist A in his operations under debt. On the same principle, capitalists B, C, D and so on, follow his steps closely in operating under debt, to enable the expansion of production to the largest possible extent in their factories. The outcome is that the entire social productivity is brought into comparatively full play, and the gross output value of the national economy grows by a large margin.

In the following example, the premises for success of the capitalists are: 1. ability to get enough low-interest loans; 2. ability to have their products sold smoothly. However, owing to the inherent contradictions in capitalist society, social products have been rather over-produced for a long time. Therefore, various capitalist countries have spared no efforts to advocate and popularize consumption by making loans. For instance, in the United States, an automobile will cost several thousand dollars, and a new residential house will cost scores of thousand of dollars. It will be very difficult for ordinary workers to make a purchase with one payment. Nevertheless, by relying on consumer credit and mortgaged loans the capitalists are able to sell their products and recover their capital, so that their production is kept going incessantly. By the end of 1981, of all the liabilities in the United States, the two items of mortgaged loans and consumer credits amounted to \$1,954.6 billion, accounting for 38.1 percent of the total sum of liabilities. Thus the supporting role of such private debts in the U.S. is evident.

The above-mentioned facts have illustrated that whether it is liabilities of the enterprises or of the individuals, or debts of the state, they will under certain conditions stimulate the growth of the gross output value of the national economy. However, "water may carry a boat, but it may also sink the boat." The large amount of national debts need to pay huge sum of interests. At present, the United States needs to pay annual interest of \$100 billion, amounting to 17 percent of federal spend spending. Originally, issuing national bonds was aimed at recouping the deficit, but the high interest actually expands the federal spending and deficit, causing a malignant cycle. Besides, in order to push the sale of more and more national bonds, the government has to raise the interest rate of the bonds. As a result, they compete with private capital in the money market; and a rise of interest rate follows, which in turn has greatly increased the difficulties in paying back the debts and hampers economic development. Besides, financial deficit and the credit inflation lead to currency inflation. Since the 1970's, the "stagflation" in the capitalist world may be said to be the evil fruit of the prolonged pursuit of liability economy.

Liability economy is a means of the capitalist countries in supporting their prosperity and the accumulation of wealth, and it has been the chief cause of their falling into protracted difficulties and their bleak outlook. However, up to now, liabilities, especially internal debts, are not a sign of poverty in capitalist countries.

The UN agencies generally judge the actual strength of various nations, and classify poor or rich nations by means of the average per capita gross output value of national economy. At present, though the United States is shockingly indebted, the debts are not great enough to interrupt the growth of its overall economy. In 1981, the gross output value of the U.S. national economy was still as high as \$2,900 billion. The population of the United States cannot be said to be very large; therefore, the United States is still among of the 10 richest countries in the world.

HEBEI GOVERNOR HEADS DELEGATION TO IOWA

OW191250 Beijing XINHUA in English 1201 GMT 19 Jul 83

[Text] Shijiazhuang, July 19 (XINHUA) -- At the invitation of Terry E. Branstad, governor of Iowa State of the United States, a 7-member delegation from China's Hebei Province led by Governor Zhang Shuguang, left here yesterday for the United States to sign an agreement on the establishment of friendship ties between Hebei and Iowa.

Last September, Robert D. Ray, former governor of Iowa, visited Hebei. During his visit, he discussed with local leaders on the establishment of friendship ties.

PRC-U.S. WORKSHOP ON CHINESE LANGUAGE OPENS

OW191530 Beijing XINHUA in English 1503 GMT 19 Jul 83

[Text] Beijing, July 19 (XINHUA) -- A Sino-U.S. workshop on Chinese language teaching opened here this afternoon. It is sponsored by the Society for Teaching Chinese as a Foreign Language under the China Association of Education, on the authority of the Ministry of Education.

The third of its kind since 1980, the workshop is taking place at the Beijing Language Institute which is a port-of-entry college where foreign students learn Chinese before going on to study in order institutions. During the week-long workshop, the Chinese and American teachers will focus on teaching materials development, applied linguistics, and Chinese language testing as well as topics for cooperative research.

A message of congratulation from Chinese Minister of Education He Dongchang was read at the opening ceremony. "It is significant for Chinese and American colleagues in teaching Chinese as a foreign language to compare notes and seek further cooperation," the minister said. Present were Ji Xianlin, vice-president of Beijing University, Linguist Wang Li, and Li Rong, director of the Institute of Linguistics and Philology, the Chinese Academy of Social Sciences.

China established the Society for Teaching Chinese as a Foreign Language last month to promote academic exchange on Chinese language teaching at home and abroad. More than 50 universities colleges in China have run short-term courses language for 3,500 foreigners so far this year. About 300 Chinese teachers are now teaching the Chinese language abroad each year.

PRC, JAPAN SIGN LONG-TERM LOAN AGREEMENT

OW191309 Beijing XINHUA in English 1203 GMT 19 Jul 83

[Text] Beijing, July 19 (XINHUA) -- Japan will extend to China a new loan of 69 billion yen (roughly 290 million U.S. dollars) in 1983, according to notes exchanged between the two governments here today. The notes were signed by Chinese State Councillor and Foreign Minister Wu Xueqian and Japanese Ambassador to China Yasue Katori. The fifth of its kind since 1979, the loan is to be provided at an interest rate of 3 percent a year and repaid in 30 years with a 10-year grace. The loan will be used for the construction of such projects as the electrification of the Beijing-Qinhuangdao railway line, a coal terminal in the port of Qinhuangdao, a railway line from Yanzhou to Shijiusuo in east Shandong Province, Shijiu port, a petrochemical project in the Daqing oil field, north-east China, and the first stage of the Baoshan steel complex near Shanghai.

DPRK ASSEMBLY DELEGATION FETED IN NANJING

OW200431 Nanjing XINHUA RIBAO in Chinese 9 Jul 83 p 1

[Text] The Standing Committee of the Jiangsu Provincial People's Congress held a banquet on the evening of 8 July to warmly welcome the delegation of the DPRK Supreme People's Assembly led by Yang Hyong-sop, chairman of the assembly. Chu Jiang, chairman of the provincial people's congress standing committee, spoke first at the banquet, which brimmed over with the militant friendship between the Chinese and Korean people.

He said: Nanjing was visited by President Kim Il-song. His visit still remains fresh in the memory of the people here, encouraging them to make unceasing progress in socialist construction. Comrade Kim Chong-il, one of the principal leaders of the Workers Party of Korea, visited this city last month. It was a new encouragement to the people of Nanjing who are creating a new situation in the country's socialist modernization. Today we have the honor to receive Chairman Yang Hyong-sop and other distinguished Korean guests. We are convinced that the friendship between our two peoples will be strengthened by your current visit. Chairman Yang Hyong-sop said: Today we come to Nanjing, a city with a long history of friendship between Korean and China, and we are deeply impressed by your profound, fraternal feelings for the Korean people. Our visit has enabled us to deeply understand your achievements in both revolution and construction. May you make still greater achievements under the guidelines of your party's 12th National Congress and the 1st session of your 6th NPC.

Hu Hao, member of the NPC Standing Committee who accompanied the visiting delegation, attended the banquet. Also present were He Binghao, vice chairman of the Standing Committee of the Jiangsu Provincial People's Congress; Xu Zhi, chairman of the Standing Committee of the Nanjing City People's Congress; Wang Liang, director of the provincial foreign affairs office; and Nanjing Vice Mayor Ding Yongan.

Chairman Yang Hyong-sop and the other distinguished Korean guests arrived in Nanjing by special plane from Beijing on the morning of 8 July. They visited the Nanjing Changjiang river bridge, the Nanjing radio plant and the provincial exhibition light industrial scientific and technological achievements and new products; later they made a boat tour of the Changjiang River. During the visit, Chairman Yang Hyong-sop said: The Nanjing Changjiang River bridge is a brilliant achievement of the Chinese people and Nanjing is a beautiful and hospitable city. The five evergreen pine trees your city presented to President Kim Il-song are growing sturdily in the Pyongyang botanical garden, symbolizing the everlasting friendship between the Korean and Chinese people.

NEW XINHUA HONG KONG DIRECTOR CITES PRC-UK TALKS

OW191608 Beijing XINHUA in English 1548 GMT 19 Jul 83

[Text] Hong Kong, July 19 (XINHUA) -- Xu Jiatun, XINHUA'S new Hong Kong bureau director, said here today: "The Chinese and British Governments are holding talks on the question of Hong Kong. I believe that given joint efforts the Hong Kong question can be settled reasonably. Hong Kong has a bright future." He said this at a reception hosted by the Hong Kong bureau in his honor this afternoon. Eight hundred people attended.

On behalf of the Hong Kong bureau, Xu Jiatun extended hearty thanks to Hong Kong compatriots, foreign friends and the Hong Kong authorities for the support they have given the bureau in the past years. He said he hopes to see the growth of such friendship and cooperation which will make still greater contributions to the cause of reunifying and modernizing the motherland, and to the prosperity and stability of Hong Kong.

Among those present at the reception were Hong Kong officials, members of the Hong Kong executive, legislative and urban services councils, foreign officials based in Hong Kong, and noted persons from local trade union, trade, banking, cultural, educational, sports, medical and religious and other organizations. Li Jusheng, second director of the agency's Hong Kong bureau, was also present.

SRV 'FLEXIBILITY' ON KAMPUCHEAN ISSUE QUESTIONED

OW161317 Beijing XINHUA Domestic Service in Chinese 0853 GMT 15 Jul 83

[Commentary by XINHUA reporter Tang Tianri: "On Nguyen Co Thach's 'Flexibility'" -- XINHUA headline]

[Text] Beijing, 15 Jul (XINHUA) -- The key to a solution to the Kampuchean problem is to implement the relevant U.S. resolutions and the declaration of the International Conference on Kampuchea which call for the withdrawal of all Vietnamese forces from Kampuchea. This is a common understanding of the world community and a principled stand of the Association of Southeast Asian Nations and other countries in the world that uphold justice. The results of the 16th ASEAN Foreign Ministers' Conference, which was held not long ago, expressed this viewpoint.

However, the Vietnamese authorities resent the world community and ASEAN because of their adherence to the U.N. resolutions and their firmed stand in demanding Vietnam's withdrawal of troops. Vietnamese Foreign Minister Nguyen Co Thach has time and again alleged that Hanoi "has already showed relatively great flexibility on the solution of the Kampuchean issue." He therefore complained that the international community "has not showed appropriate reaction." He also said that they "only gave us (Vietnam) a bone instead of meat." His intention was to ask the international community to abandon principle and show "flexibility" in order to facilitate the continuation of Vietnam's regional hegemonism.

But facts prove that the Vietnamese authorities have always considered the U.S. resolutions on Kampuchea as a bone in the throat and have taken an obstinate stand without any "flexibility." The Vietnamese authorities recently stated that they are prepared to keep their troops in Kampuchea for 5, 10 or 20 years and even "until hell freezes over" or "until the sun rises from the West" if necessary. It means that Vietnam would perpetuate its military occupation of Kampuchea and, at the same time, want the world community to show "flexibility" by stepping back from the principled stand based on the U.N. resolutions -- that is, to accept Vietnam's "partial troop withdrawal" instead of insisting on its total pull-out, and accept its offer of conditional withdrawal instead of demanding its unconditional withdrawal. The Vietnamese authorities have in the past few years made several "partial troop withdrawal" announcements. However, facts show that every time it announced a "partial troop withdrawal" Hanoi merely pulled out some injured or reliable troops and then sent more reinforcements to Kampuchea. That is why Vietnam today still has a huge, aggressive army in Kampuchea.

For instance, in 1982 the Vietnamese authorities pulled out 20,000 troops from the 3d Division and 4th Division from northern Vietnam and sent them to Kampuchea before they announced a troop withdrawal from Kampuchea. In the later part of February this year, the Vietnamese authorities announced that they would "withdraw a part of their troops every year." However, before their announcement, Vietnam had already gathered and dispatched large numbers of troops to the Kampuchea-Thailand border area. Shortly after their announcement of a troop withdrawal, the Vietnamese authorities launched a new military offensive along the Kampuchea-Thailand border areas and repeatedly and intentionally invaded Thai territory. In early May this year, while staging another farce of a "partial troop withdrawal," they dispatched 8,000 additional troops to Kampuchea.

It is obvious that if one accepts Vietnam's "partial troop withdrawal," it is tantamount to accepting its indefinite military occupation of Kampuchea.

Moreover, Vietnam has set various preconditions for its troop withdrawal.

First, Vietnam alleged that "it would not pull out its troops from Kampuchea without the removal of the China threat." The so-called "China threat" is absolutely nonexistent. There is not a single Chinese soldier in Kampuchea, China has no military bases of any kind in Indochina, China has supported the Kampuchean patriotic forces, along with the ASEAN states, in their resistance to Vietnam's aggression and expansion in Indochina and the Southeast Asian region with the backing of the Soviet Union. The attempt to substitute the realistic threat posed by Vietnam in the Southeast Asian region with the non-existent "China threat" is one of Hanoi's schemes to divert the attention of the people and sow discord between China and ASEAN.

Second, "Vietnam will not withdraw unilaterally." As everyone knows, at the present time, apart from Vietnam which has 200,000 troops in Kampuchea, no other country has any troops there. Therefore, it is natural that only Vietnam should withdraw its troops from Kampuchea. It is ridiculous for Vietnam to refuse to pull out its troops and demand a troop withdrawal by other countries which have no troops in Kampuchea.

Third, "(The security of all Indochinese countries) must be guaranteed first, and then the troops will be withdrawn." The security and stability of the Indochinese region was entirely undermined by the Vietnamese authorities who have committed aggression in Kampuchea and given access to Soviet military forces in the region. In order to find a solution to the security problem of the region, the Vietnamese authorities should first of all pull out all their troops from Kampuchea and put an end to their aggression and military occupation of Kampuchea. After that, under the guarantee of the international community, Kampuchea will become a peaceful, neutral and nonaligned country. The Vietnamese preconditions are actually an attempt to demand that the international community stop its support for the Kampuchean patriotic resistance force, guarantee the security of the Heng Samrin regime, and accept the fait accompli of the Vietnamese occupation.

The Vietnamese authorities often change their methods and tactics according to the development of the situation. They have constantly dished up new versions of "partial troop withdrawal" and preconditions and painted their proposals with colorful word of "peace" in order to soften the international community's principled stand based on the UN resolutions. All people must maintain a sharp vigilance against this.

Flexibility is needed in the struggle against the Vietnamese aggressors, but it must not mean the abandoning of principles. Flexibility at the expense of principles is only in the interest of Vietnamese aggression and expansion, and detrimental to the national interest of Kampuchea and to the peace and stability of Southeast Asia, the Asian-Pacific region and the world.

AFP: WU XUEQIAN TO VISIT PAKISTAN 25 JULY

OW191816 Hong Kong AFP in English 1757 GMT 19 Jul 83

[Text] Islamabad, July 19 (AFP) -- Chinese Foreign Minister Wu Xueqian will begin a five-day official visit to Pakistan on Monday, during which he will hold talks with Pakistani President Mohammad Ziaul Haq and Foreign Minister Sahabzada Yaqub Ali Khan, official sources said today.

During his stay in Pakistan the Chinese foreign minister, who will be heading a six-man delegation including Deputy Foreign Minister Liu Shu-ching [title, name as received], will also visit an Afghan refugee camp.

Mr. Wu will go to Thailand after his stay in Pakistan.

JI PENGFEI MEETS PAKISTANI JOURNALISTS 15 JULY

OW151406 Beijing XINHUA in English 1348 GMT 15 Jul 83

[Text] Beijing, July 15 (XINHUA) -- State Councillor Ji Pengfei met here this afternoon with a Pakistan journalists' delegation led by Hameed Haroon, deputy chief executive Dawn group of newspapers of Pakistan.

Ji Pengfei said: "There are very good prospects for developing the friendly relations and cooperation between the China and Pakistan." "Such relations will surely make progress and not retrogression," he added. He said that he hoped peoples of the two countries would strengthen their contacts and deepen their mutual understanding, thus helping develop the relations in an all-round way. Ji Pengfei also gave an outline of China's domestic situation.

The Pakistan guests arrived here yesterday at the invitation of the All-China Journalists Association for a two-week visit in China. They will tour Tianjin, Jinan, Qingdao and Shanghai later.

RENMIN RIBAO ON KABUL REGIME'S 'TRIBAL ARMY'

HK200821 Beijing RENMIN RIBAO in Chinese 20 Jul 83 p 6

["International Jottings" by Wen Zheng: "They Cannot Help"]

[Text] It is reported that the Karmal government of Afghanistan has set up a tribal army, and Moscow's propaganda machine has made a big fanfare about this, saying that the army is a "powerful deterrent force" which can "consolidate" the Karmal government, and saying that the tribal army has forced the resistance to "tuck their tails tightly between their legs" and has "achieved remarkable successes," and so on.

The tribal army, which is regarded by Moscow as something miraculous, is in fact nothing new. When old-line imperialism carried out aggression and expansion on the Afro-Asian continent, it used to take advantage of contradictions inside the aggressed countries to achieve its purpose of divide and rule. After World War II, some people also tried to use the tactics of "making Chinese people fight against Chinese people" and "making Vietnamese people fight against Vietnamese people," but these tricks could by no means help the imperialists. At present, the Soviet Union is trying to make "Afghan people fight against Afghan people" and has made the Karmal army employ this tactic, but this cannot help it to consolidate its rule in Afghanistan. Now, it even tries to make use of the contradictions between different Afghan tribes. However, since the 100,000 Soviet troops plus the tens of thousands of Karmal's troops cannot create a miracle of conquering Afghanistan, how can the tribal army "remarkably" help the Soviets?

JINGJI RIBAO ON HUNGARY'S 'LIVELY' ECONOMIC WORK

HK180904 Beijing JINGJI RIBAO in Chinese 8 Jul 83 p 4

[Article by Wang Xiyi: "How Hungary Controls the Scale of Investment in Fixed Assets"]

[Text] Prior to a visit to Hungary by a delegation of the People's Bank of China, members of the delegation had already heard that Hungary, in its economic reform, is thoroughgoing in transferring power to lower levels, that it carries out economic work in a lively manner, and that it has complete methods to control the scale of investment in fixed assets. How does Hungary control the scale of investment in fixed assets?

Hungary has abolished its mandatory plans for the national economy. The expansion of the scale of enterprises, the renewal of equipment, and investment in fixed assets are all decided on independently by enterprises themselves. At present, enterprises' investment accounts for 58.5 percent of the investment in fixed assets throughout Hungary. It has exceeded the percentage of state investment. In reform, Hungary also had problems of enterprises having excessive money and of expanding the scale of investment in fixed assets. But they effectively brought these problems under control through various economic regulating methods. In 1977, investment in fixed assets increased by 13 percent over the previous year. Due to the implementation of effective measures, it increased by only 5 percent in 1978 and 1 percent in 1979. It dropped by 5.8 percent in 1980, 6.1 percent in 1981, and 2.8 percent in 1982. Investment in fixed assets dropped from 210 billion forints in 1978 to 185.4 billion forints in 1982.

A vice chairman of Hungary's State Planning Bureau told the delegation that the state wanted to exercise control and the enterprises wanted to counteract such control, and that the state was victorious in the struggle. The method of controlling the scale of investment in fixed assets is to withdraw some of the enterprises' development funds through taxation so that enterprises have to request bank loans if they want to increase investment in fixed assets. The banks also have complete methods for controlling loans.

Specific methods of taxation are as follows:

1. Payment of a construction tax. With regard to investment in civil engineering projects which exceed 500,000 forints, a construction tax of 20 percent must be paid so as to make enterprises reduce investment in civil engineering projects and increase investment in equipment for technical innovations.
2. Payment of an investment tax. With regard to the whole investment in projects under construction, including investment in civil engineering projects and equipment, an investment tax of 25 percent must be paid so as to make enterprises shorten the construction period and start as few as possible new investment projects. No investment tax has to be paid on investment in social welfare facilities.
3. Payment of charges for development funds by enterprises. Industrial enterprises are required to turn over to the state 7 percent of their development funds, and agricultural cooperatives 4 percent, so as to reduce their development funds.
4. Strict stipulations are formulated to restrict the use of reserve funds so as to prevent enterprises from using the funds for investment in fixed assets.
5. Circulating funds required for increasing commodities in stock must come from the enterprises' development funds.

For example, in 1982 investment in fixed assets throughout the country would have exceeded by 8 billion forints, but due to the implementation of the above measures, 7 billion forints were taken back. Thus, enterprises must request bank loans if they want to carry out investment projects.

Hungary's banks have strict and complete methods to control and supervise loans. State banks provide loans according to loan policies.

1. Investment projects are required to maintain a certain profit rate after they are put in operation. In 1982, it was stipulated that the profit rate for agriculture was 9 percent, the profit rate for commerce was 10 percent, and the profit rate for the processing industry was 15 percent. The banks will, according to calculations, refuse loans for enterprises which cannot reach the required profit rates. In this way, economic results of investment made by enterprises can be guaranteed and the irrational part of investment reduced. Moreover, the payment of loans can be made as scheduled.
2. When carrying out investment projects, enterprises are required to invest their own funds at a certain percentage. Only in this way will the banks provide loans. According to previous stipulations, enterprises were required to invest their own funds at the minimum rate of 30 percent, and the banks would provide loans at the maximum rate of 70 percent. In 1982, stipulations were changed as follows: The banks would provide loans for different enterprises at different percentages as long as the total amount of funds invested by enterprises accounted for 30 percent in the total investment in projects throughout the country.
3. The banks will stop providing loans if enterprises fail to complete the construction of ordinary projects within 3 years, and financial departments will withdraw the investment in projects under construction from enterprises' circulating funds.
4. The banks institute the system of different interest rates, preferential interest rates, and return interest. The annual interest for investment loans provided by state banks is generally 14 percent, and the annual interest for investment loans for expanding exports, saving energy, and utilizing waste materials is 11 to 12 percent. With regard to investment projects under preferential interest rates, interest will still be paid during the construction period; after the completion of projects, the banks will return 25 to 45 percent of the interest to enterprises which can fulfill the conditions and achieve the economic results as stipulated in the loan contracts. This can produce better results than the method of reducing interest for loans.

During our visit to a car factory, a leading comrade of the factory told us that it was not easy to get a bank loan. A vice chairman of the credit department of the state bank said: "Even if an enterprise wants to borrow 1 forint from the bank, we have to thoroughly check the enterprise to see if it complies with the conditions for loans."

BAN YUE TAN VIEWS ALBANIA'S PAST, PRESENT

HK141248 Beijing BAN YUE TAN in Chinese No 8, 25 Apr 83 pp 60-61

[Article by Ge Baozhi: "Inside and Outside Albania"]

[Text] Albania is called "a land of cleanliness" amidst clamorous Europe. Foreign visitors and tourists in Albania are under strict scrutiny by the authorities. Men with long hair or long beards and people dressed in outlandish clothing are not welcomed in this country.

However, there have been turbulent events in this "land of cleanliness." On 18 December 1982, the Albanian Government announced in a statement that chairman of the Council of Ministers (equivalent to the rank of premier) Shehu suddenly "suffered from a mental disorder" and committed suicide. But only a few days before the incident, Shehu had made a report on the Seventh 5-Year Plan on behalf of the party Central Committee, which had made a decision on the publication of his selected works. After his death, Shehu was not honored with any memorial service even though he had served as chairman of the Council of Ministers for the previous 27 years.

Ten months later, Hoxha announced in an electorate gathering that Shehu was "a renegade and the most dangerous enemy of Albania" who had rendered service to the intelligence services of Yugoslavia, the United States, and the Soviet Union, and that he had worked for the American intelligence agency as early as sometime before the Second World War. He was accused of "attempting to eliminate the party and the people's state power, and place Albania under the domination of foreign countries." After Shehu committed suicide, 10 of 16 ministers were relieved of their posts, and even Lleshi, who had been president of the country for 30 years, along with three vice presidents were forced to step down.

The death of Shehu gave rise to speculation in foreign newspapers and magazines, which regarded the incident as a reflection of intensification of struggle within the Albanian ruling clique. From 1973 to 1975, Albania declared, on different occasions, the uncovering of a "military antiparty clique," "economic antiparty clique," and "cultural antiparty clique." Former Defense Minister Balluku, deputy chairman of the Council of Ministers Kellezi, and other political figures disappeared and fell into oblivion.

When Albania was liberated in 1944, its population was only 900,000. At present, it has increased to 2.8 million. The economy has been considerably developed after the implementation of six 5-year plans from 1950 to 1980. Grain has been declared self-sufficient in the country. Of the total output value of industry and agriculture, the output value of industry constitutes 66 percent. In 1979, the average per capita income was \$840 per year.

Albania practices a strict planned economy, with emphasis on the development of the heavy industry. However, capital is not abundant, and production capacity is poor. Most of the heavy-duty machines and spare parts needed in Albania are imported from abroad. Bicycles, sewing machines, watches, radios, and part of the oil materials and sugar, and some other items have to be imported from overseas.

For a long time, there were over 100 industrial items in Albania being aided by China. A comprehensive oil refinery with an annual capacity of 1 million tons and a hydroelectric power station with an installed capacity of 500,000 kilowatt-hour alone enabled Albania to double its capacity of oil processing and generation of electricity. However, since 1976, the Albanian leaders have incessantly made disparaging statements toward China, which had aided Albania for a long time. This created various obstacles to cooperation in various fields between the two countries, and China was forced to suspend its aid to Albania in 1978. At present, an ordinary diplomatic relationship is maintained between the two countries.

The Albanian leaders proclaim that "Albania does not, and will not, have any diplomatic relations with American imperialism, Soviet social-imperialism, and other fascist countries" and it will "wage uncompromising struggles against them." At present, Albania has no diplomatic relations with either the United States, the Soviet Union, Britain, or West Germany.

Albania's production of chromium ranks third in the world, and 80 percent of the product is sold to Western countries. For this purpose, trade agreements have been signed between Albania and Western countries in recent years, and Albania's trade volume has increased. Of all the Western countries, Albania maintains the most satisfactory relationship with Greece. Between these two countries, there are not only business transactions and regular scheduled flights, but also exchange of visits of scholars and artists.

NIGER DEVELOPMENT DELEGATION CONCLUDES PRC VISIT

Feted by Ji Pengfei

OW181842 Beijing XINHUA in English 1358 GMT 18 Jul 83

[Text] Beijing, July 18 (XINHUA) -- Ji Pengfei, Standing Committee member of the Central Advisory Commission of the Chinese Communist Party and state councillor, met with a delegation from the National Committee of the Development Society of Niger (D.S.N.) here today.

The delegation is led by Lieutenant Colonel Moumouni Djermakoye Adamou, president of the D.S.N. National Committee.

Ji Pengfei gave a dinner for the visitors after the meeting. The Niger Ambassador, Aussiel Pierre, was present.

The visitors, as guests of the Association for International Understanding of China, have toured Xian, Shanghai and Hangzhou and are scheduled to leave for home shortly.

[Xinhua Domestic Service in Chinese at 1542 GMT on 18 July transmits a similar report, which says that Tang Mingzhao, vice president of the Association for International Understanding of China, and Jiang Guanghua, deputy head of the International Liaison Department of the CPC Central Committee, were also present at the meeting.

Briefed by Peng Chong

OW191427 Beijing XINHUA in English 1336 GMT 19 Jul 83

[Text] Beijing, July 19 (XINHUA) -- Peng Chong, vice-chairman of the National People's Congress Standing Committee, this afternoon met with a delegation from the National Committee of the Development Society of Niger (D.S.N.) led by Lieutenant Colonel Moumouni Djermakoye Adamou, president of the National Committee.

Peng Chong briefed the guests on China's political and economic situation.

Speaking of his impressions on his present trip, Adamou said he found that the responsibility system in the Chinese countryside has proved very effective. He said his delegation are satisfied with their current visit and they expect it to help expand the good relations between the two countries.

The guests toured Xian, Shanghai and Hangzhou, and left for home this evening.

JI PENGFEI MEETS AFRICAN YOUTH LEADERS

OW181836 Beijing XINHUA in English 1355 GMT 18 Jul 83

[Text] Beijing, July 18 (XINHUA) -- Ji Pengfei, standing committee member of the Central Advisory Commission of the Chinese Communist Party and state councilor, met and discussed youth work with Jeneralli and Issebere, deputy general secretaries of the Pan-African Youth Organization (P.A.Y.O.) here today.

P.A.Y.O., embracing youth organizations in over 40 African countries, works for the total liberation and unity of Africa, the visitors said.

Ji once headed the International Liaison Department of the C.P.F. Central Committee.

CULTURE MINISTER MEETS WITH LIBERIAN DELEGATION

OW181234 Beijing XINHUA in English 1222 GMT 18 Jul 83

[Text] Beijing, July 18 (XINHUA) -- Zhu Muzhi, minister of culture, today met with Jallah Kamara, director of the National Bureau of Culture and Tourism of Liberia, and members of his party. He had a cordial and friendly talk with them.

The Liberian guests arrived in Beijing on July 14, at the invitation of the Ministry of Culture, and left here this afternoon for Shanghai and Hangzhou.

During their stay in Beijing, the Liberian guests were given a banquet by Chen Xinren, advisor to the Ministry of Culture. Jallah Kamara held talks with departmental heads of the Ministry of Culture and the National Tourism Administration of China on the cultural and tourism exchange and cooperation between China and Liberia. The guests also visited some cultural facilities and historical sites.

HUANG HUA MEETS EGYPTIAN JOURNALISTS 18 JUL

OW181922 Beijing XINHUA in English 1341 GMT 18 Jul 83

[Text] Beijing, July 18 (XINHUA) -- Huang Hua, vice-chairman of the Chinese National People's Congress Standing Committee, today told Egyptian journalists that the basis for a solution to the Middle East issue is to close the ranks of the Arab countries and to iron out differences and restore unity within the Palestine Liberation Organization.

Huang Hua, who was one-time foreign minister and vice-premier, noted that the Arab and Palestinian peoples are facing the same enemy and have common tasks. He expressed the hope that the Arab countries will make act in concert and force Israel to respect the sovereignty and territorial integrity of Lebanon and to pull its own aggressor troops out of Lebanon. He reiterated the Chinese people's determination to give maximum support for the just struggle of the Arab and Palestinian peoples.

Huang Hua spoke highly of the traditional friendship between China and Egypt. He added that in the past more than 30 years the two countries have supported and trusted each other, and such a relationship has expanded, especially since the recent exchange of visits between leaders of the two countries. He said he hopes that the two governments and two peoples will learn from and help each other in their national reconstruction, and continue to cooperate closely in international affairs.

Huang Hua also answered questions raised by the Egyptian journalists about other international issues and the situation in China.

The Egyptian journalists present were Kamel Zoheiry, columnist of AL-JUMHURIYAH; Abdel Abd Al-Aziz Abdallah, member of the Egyptian Press Syndicate; Ahmad Rushdy, senior editor of diplomatic and foreign affairs of AL-AHRAM; and Nabil Zaki, head of the foreign affairs desk of AL-AKHBAR.

Chen Bojian, deputy director-general of XINHUA NEWS AGENCY was present.

NPC'S NGAPOI AT IRAQI AMBASSADOR'S RECEPTION

OW161408 Beijing XINHUA in English 1327 GMT 16 Jul 83

[Text] Beijing, July 16 (XINHUA) -- Badri Karim Kazim, ambassador of the Republic of Iraq to China, and Mrs. Nahla Kazim gave an embassy reception here today to mark the 15th anniversary of the revolution of 17-30 July.

Among the Chinese guests were Ngapoi Ngawang Jigme, vice-chairman of the National People's Congress Standing Committee; Wen Yezhan, vice-foreign minister; and senior officials of other government departments.

Diplomatic envoys of various countries were also present.

SAO TOME PRINCIPE PRESIDENT TO VISIT PRC

OW191001 Beijing XINHUA in English 0859 GMT 19 Jul 83

[Text] Beijing, July 19 (XINHUA) -- Manuel Pinto da Costa, chairman of the liberation movement and president of the Democratic Republic of Sao Tome and Principe, will lead a party and government delegation for a goodwill visit to China. Invited by the Chinese Government, the delegation will stay in China from July 28 to August 2, according to the Chinese Foreign Ministry at the weekly press conference here this afternoon.

This Western African country is situated in the Gulf of Guinea.

This will be President da Costa's second visit to China.

The Foreign Ministry also disclosed that the Chinese Government will receive director general Mr. Blix, senior official from the International Atomic Energy Agency from August 11 to 17.

The visit is expected to discuss China's admission to the agency and help promote international cooperation between China and other countries on the peaceful use of nuclear energy.

GUANGMING RIBAO ON DENG INTERVIEWS WITH FALLACI

HK200812 Beijing GUANGMING RIBAO in Chinese 11 Jul 83 p 3

[Article by Yan Jiaqi: "'Start With Reforming the System' -- Reading Comrade Deng Xiaoping's 'Interviews With the Italian Journalist Oriana Fallaci'"]

[Text] In modern Chinese history, a nationwide domestic turmoil in the name of the "Great Cultural Revolution" dragged on for fully 10 years. During this decade, although some successes and advances were made in certain fields, the "Great Cultural Revolution" was, generally speaking, a catastrophe. It trampled socialist democracy and socialist legality underfoot; as a consequence, many outstanding party and state leaders and countless honest party members and people innocently suffered persecution. It also brought our national economy to the brink of collapse. Comrade Deng Xiaoping said: "'The Great Cultural Revolution' was 'a grave error which is comprehensive in magnitude. Its consequences are so serious that, up to now, they have still exerted an influence. It is said that the 'Great Cultural Revolution' wasted the time of a generation. In fact, however, it wasted more than the time of a generation. It caused anarchism and ultra-egoism to run unchecked and seriously corrupted social values.' ("Selected Works of Deng Xiaoping," p 267) While studying the "Selected Works of Deng Xiaoping," we deeply felt that for many years, Comrade Deng Xiaoping had always concerned himself with and pondered an important question which had a bearing on the future and fate of present-day China, that is to say, in order to ensure the smooth effecting of China's socialist modernization program, how should we avoid the recurrence of the domestic turmoil like the "Great Cultural Revolution" and how should we overcome the extremely grave consequences resulting from the "Great Cultural Revolution"? The question which Comrade Deng Xiaoping has pondered is also the question being seriously pondered by all people who wish to see that China becomes prosperous and strong.

The most rudimentary prerequisite for a country to extricate itself from the state of economic backwardness and become prosperous and strong is the domestic situation which ensures that the people can engage in peaceful labor and enjoy sustained political stability and unity. Many countries in the world lack this rudimentary precondition due to internal disputes; this represents, in turn, a serious obstacle to their economic development. In modern Chinese history, this most rudimentary precondition was similarly not created. It was only after the founding of the PRC by the Chinese people under the leadership of the CPC that a path was opened up to build our country into a strong, modern socialist country. However, the road of our advance is tortuous. The rash launching of the "Great Leap Forward" movement and the erroneous initiating of the "Great Cultural Revolution" have caused the CPC, the state, and the people to suffer serious setbacks and losses in succession. One question which attracts our deep thought is whether domestic turmoil, such as the "Great Cultural Revolution," is actually the product of a specific leader or is it caused, after all, by any more incisive reasons? Some articles in the "Selected Works of Deng Xiaoping" and, in particular, the article entitled "Interviews With the Italian Journalist Oriana Fallaci" have given a clear and scientific answer to this question.

Historical materialism holds that the historical development of human society is a historical process of nature. When people observe and study history in a short period of time, they will see that some leaders played a great role in the course of historical development and that even the personal qualities, disposition, and hobbies of specific leaders could also affect the concrete course of history. However, the more people observe and study history for a long period of time, the more obvious will become the role which the economic base and the political and economic systems based on a certain economic base play in historical development and the fact that the will of any individual cannot alter the general trend of historical development.

Although various kinds of individual factors played a certain role in the emergence of domestic turmoil in the history of the People's Republic, the longstanding failure to prevent the emergence of such domestic turmoil as the "Great Cultural Revolution" in terms of system constitutes an important reason in this respect. Three years ago, when Oriana Fallaci asked Comrade Deng Xiaoping the question: "How should the error similar to the 'Great Cultural Revolution' be avoided?" Comrade Deng Xiaoping replied: "This question must be solved in terms of system. Some of our previous systems are, in fact, influenced by feudalism. They include personality cult, the patriarchal system or patriarchal behavior, and even the personnel system of guaranteeing officials' lifelong tenure. We are now studying how to avoid the repetition of these phenomena and are prepared to start with reforming the system. Ours is a country with a history of several thousand years of feudal society, which lacks socialist democracy and socialist legality. We are now determined to set up the socialist democratic system and socialist legal system. Only in this way can problems be solved." (Ibid, p 307) Comrade Deng Xiaoping applied historical materialist principles in bringing to light the profound root cause of the emergence of such domestic turmoil as the "Great Cultural Revolution" rather than seeking the reasons for historical events by proceeding from the thinking, work style, and character and morals of individuals.

In the last few years, based on the scientific understanding of the root causes of the emergence of such domestic turmoil as the "Great Cultural Revolution" and while making a practical and realistic appraisal of Comrade Mao Zedong, who exerted the greatest influence on modern Chinese history, our party has led the people across the land in carrying out a highly effective reform of the socialist political system.

The restructuring of the socialist political system is instituted on the condition of upholding the four cardinal principles to reform the systems of leadership, organization, and structure of the party and the state. On 31 August 1980, the Political Bureau of the CPC Central Committee discussed and adopted Comrade Deng Xiaoping's important speech on the reform of the leadership system of the party and the state. In summing up the experience and lessons leading to the decade-long internal disorder, Comrade Deng Xiaoping pointed out that the question of the leadership and organizational systems is all the more a question of fundamental importance involving the stability and protracted nature of the overall situation and that if we do not abolish the malpractices of the existing systems, not only will it be difficult to avoid domestic turmoil like the "Great Cultural Revolution," it will also be impossible to realize the modernization program. This speech is the programmatic document for the reform of the leadership system of the party and the state and other various reform work. Over the last few years, the reform of the leadership system of our party and state has been conducted in accordance with the basic spirit of this speech by Comrade Deng Xiaoping. We have changed the phenomena in which power was overconcentrated during the "Great Cultural Revolution" and in a period of time following the "Great Cultural Revolution" and in which people held too many posts at the same time or excessive deputy positions. We have begun to solve the question of no distinction being made between the functions of the party and those of the government and of the party performing the functions of the government. As a result, large batches of cadres with political integrity and professional competence who are in the prime of life have assumed important leadership positions in the party and the state. In terms of the party's leadership system, we have abolished the party's chairmanship system and are applying the system of general secretary. The Standing Committee of the Political Bureau of the CPC Central Committee is the core leading to day-to-day work of the party as a whole. We have strengthened collective leadership so as to prevent the recurrence of the previous practices of individuals excessively concentrating power in their hands and of individuals making arbitrary decisions.

In terms of the state's leadership system, we have revised the existing Constitution and in accordance with the provisions of the Constitution, we have reinstated the state president, established the Central Military Commission of the PRC and applied the system of decision by the premier and of decision by the administrative leaders at various levels. In order to prevent the emergence of personality cult while eliminating overconcentration of power, the Constitution stipulates in explicit terms the restriction of the renewal of the term of office of the state president, premier, and others. These reforms of the leadership system of the party and the state have not only wiped out, in terms of system, the phenomena in which a specific individual had absolute power in his hands during the "Great Cultural Revolution" and prevented the "adoption of a feudal practice" under which, with absolute power, "a leader chooses himself his own successor," (Ibid, p 305-306) but have also strengthened socialist democracy in terms of system and laid down a sound foundation for setting up a socialist, highly democratic political system.

In order to avoid the repetition of such phenomena as the "Great Cultural Revolution" and to maintain the sustained political situation of stability and unity, while building the socialist democratic system in real earnest, our party has striven to perfect China's socialist legal system. In talking about the interrelations between socialist democracy and socialist legality, Comrade Deng Xiaoping said: "Socialist democracy and socialist legality are indivisible. Democracy without socialist legality, without party leadership, and without discipline and order is by no means a socialist democracy. On the contrary, this can only once again lead our country to anarchism and make it more difficult to democratize the country, to develop the national economy, and to improve the people's livelihood." (Ibid, p 319) In perfecting the socialist legal system, the NPC and the Standing Committee of the NPC have adopted a series of laws and the State Council has promulgated a series of laws and regulations and strengthened democratic management over the economic, political, and social life activities. Meanwhile, strong measures have been taken against all kinds of antiparty and antisocialist activities and criminal activities. We have conscientiously set up the socialist democratic system and socialist legal system over many years and have begun to establish normal order in production and work and good social order.

The political situation of stability and unity provides the basic prerequisite for realizing socialist modernization. To build our country into a strong, modern socialist country, a series of preconditions are still needed. "The Present Situation and Our Tasks," a speech made by Comrade Deng Xiaoping at the beginning of 1980, pointed out that these prerequisites include a firm and unshakable as well as consistent political line, a pioneering spirit of plain living and hard struggle, and a contingent of cadres with professional knowledge and competence who are steadfast in taking the socialist road. Some of these prerequisites have now been established and others are being established through reforms of the organizational structure, the economic system, and the system of cadres. Under the leadership of the CPC, the Chinese people are laying a solid foundation for the edifice of socialist modernization. We will see very soon that this magnificent edifice is about to rise from the ground and tower aloft in the East of the world.

RENMIN RIBAO ON COMPETENCE OF KEY PROJECT CADRES

HK200759 Beijing RENMIN RIBAO in Chinese 17 Jul 83 p 1

[Editorial: "Selecting Competent Cadres Is an Important Move -- More on the Whole Country Aiding Key Construction Projects"]

[Text] The success or failure of the key construction projects has an important bearing on the future of the four modernizations and the fundamental interests of the people of the whole country.

In order to ensure the smooth progress of the key construction projects, one of the most important things is to select a number of competent cadres to strengthen the leadership over key construction projects.

Not long ago, the State Planning Commission conducted an investigation on a number of cadres in the key projects under construction. The leading cadres of most of the projects were competent. Many of the cadres among them had been engaged in capital construction work before and possessed a certain management ability and scientific and technical knowledge. Some projects were constructed at a relatively fast speed and in a good way, such as the project for diverting water from the Luan River to Tianjin, which set a fine example for the key construction projects of the whole country. However, there were some projects that were not appropriately provided with competent cadres. Some cadres not only lacked necessary experience in leading work, but also did not possess necessary scientific knowledge. Although some cadres were professionally competent, they were average and, therefore, lacked the strength to continue their work in the first line of the key projects. As leading work in the key construction projects is arduous, it is essential to establish a definite responsibility system. There must be explicit terms that stipulate the limits of authority of the responsible cadre, what duties he should undertake, how he will be rewarded when doing a good job, and how he will be punished when doing a bad job. These stipulations must be strictly implemented. Only the responsibility system can improve our work style and raise work efficiency. In a word, how can a key construction project with thousands of workers be done well without the responsibility system and competent commanders?

In carrying out capital construction, particularly those key projects under construction, we have to deal with large scale and complicated technical problems. In order to construct these projects well, both leading and technical cadres should possess relevant capabilities and also practical skills in running affairs according to economic laws. Without such skills it would be impossible to shoulder heavy responsibilities even if one subjectively makes great efforts. At present, the management state of some key projects is in complete disorder. The progress of these projects is slow and there is serious waste, which has resulted in the failure of the productive force to take shape for a long period. All this is related to inefficient leadership.

Why is it that there are some departments and localities that paid no attention to providing key construction projects with competent cadres? Why is it that some responsible departments are active in striving for more projects and investment, but disregard allocating cadres to the key construction projects? In the past 30-odd years we have trained and tempered a considerable number of capable management and technical cadres. The crux of the matter is that some departments have not yet earnestly practiced the principle of appointing people on their merits and choosing people from among the best. There are still some nominal, concurrent, and remote control leading cadres in a number of key construction projects. It would be quite impossible for them to lead the projects in this way. Key construction projects are the lifelines of the national economy. Provided these projects are ensured, it will have an important bearing on strengthening and vitalizing our country. A person must be specially assigned for every project. He must spare no efforts, go right to the spot to strengthen command, and solve all sorts of problems in construction in due course.

Generally speaking, the cycle of a key construction project is relatively long. Therefore, while forming the leading bodies, we must have the idea of overall planning in mind, take a broad view, and not try to form improvised leading bodies or to "transfer the cadres like a merry-go-round." Only by providing the key projects with competent cadres and letting them stick to their posts can it be helpful to the cadres in accumulating experiences and in smoothly carrying out their leading work.

Once the political line is determined, cadres are a decisive factor. Comrade Deng Xiaoping said: "One of the grave problems our country is facing now is not the correctness of the line and principle of the four modernizations, but that we lack large numbers of capable people to realize this line and principle. The reason is quite simple: Everything in this world is done by man. Without large numbers of talented people, our cause could not have succeeded." It is thus obvious that selecting competent cadres for the leading posts of the key construction projects is a pressing task of the moment and a serious matter. All localities and departments should conduct a conscientious examination on the state of cadres in key construction projects. Those cadres who consider themselves always in the right, who fail to fulfill their duties, and who are not professionally competent, must resolutely be transferred. Management departments of cadres must urge various specialized departments to break with selfish departmentalism and eradicate ownership by specialized departments. They must not begrudge "parting with their cherished possessions" and must send those outstanding talented people to the first line of the key construction projects instead of keeping most of them in offices.

RENMIN RIBAO EDITORIAL ON RURAL SURVEY WORK

HK180935 Beijing RENMIN RIBAO in Chinese 14 Jul 83 pp 1, 2

[Editorial: "Strictly Refrain From 'Demanding Uniformity in Everything' -- Another Discourse on Doing a Good Job in Rural Survey"]

[Text] The 1 June issue of this newspaper carried a report on the summary minutes of Premier Zhao Ziyang's talk during his inspection tour of Shaanxi, concerning water conservancy projects, dry-land farming and the economical use of water. The opinions expressed in this talk are of important guiding significance on how to carry on the present construction of water conservancy projects, and are also a helpful inspiration in doing a good job in rural survey. It is suggested that leading cadres at various levels, especially leading cadres engaged in rural work, should read it through with concentration and ponder about it, learn from it how to make investigation and study, and how to understand and have a good grasp of the new situations and new problems in the rural areas, and to sum up the new creations and experiences of the masses.

Investigations and studies are the basic work in the making and implementation of a policy. Regarding the making of a policy, only by investigation and study, and realizing the objective laws of the development of things, can we provide a scientific ground for drawing up a strategic decision. Regarding the implementation of a policy, only by investigation and study, and being kept informed of the realities of our own region or department, can we combine the principle and policy of the party with the concrete practice of the localities. In recent years there have been more and more comrades who are good at making investigation and study, and who are keen on observing, analyzing and solving problems. Therefore, there have been more and more places where work has been carried on in a vivid, lively, and highly effective way. It is owing to the large number of investigations and studies on the situation of the rural areas by the whole party from top to bottom that the significant reform in the rural areas has been achieved. And it is only by incessantly summing up practical experiences, going from the masses and to the masses, suiting measures to local conditions, and giving separate guidance to different categories that it was possible to make a breakthrough of the excessive centralization in management and the over-monotonous form in the system, and succeed in creating various forms of the system of contracted responsibilities with payment linked to output, thus enabling the smooth solution of this basic problem that had long gone unsolved in the rural areas of our country.

Nevertheless, we often see quite another situation, where some comrades are not ideologically assiduous enough, or are afraid of everything. They always fail to combine the principle and policy of the party with the concrete practise of their localities. Therefore, they have failed to make a breakthrough in their work there. Often, in handling affairs and thinking over problems, they do not start from the objective realities, pay no attention to the peculiarities of each concrete matter, and fail to give separate guidance which suits the case; instead, starting from their subjective will and from books, they turn to "demanding uniformity in everything" or "rushing headlong into mass action." For instance, when households are willing to carry out economic cooperation of their own accord, it should be approved and given support. However, some comrades have shown no regard to the objective laws of economic development; they did not observe the principle of the free will and mutual interests of the masses, but carried out compulsive mediation. Again, it is imperative to carry out reform in the agricultural system; nevertheless, without first making experiments, and without considering the level of the development of productive force of the localities and the need of the masses, some comrades set up companies of all kinds in a mad rush, striving for completeness while building a high-flying framework, which resulted in overstaffed personnel but poor efficiency. Such work style and method, though an individual phenomenon, should be promptly corrected. Otherwise, when it is allowed to spread unchecked and become a trend, it is sure to harm our cause.

Why is it necessary to start from realities and refrain from demanding uniformity in everything? Because the conditions of various areas differ in a thousand and one ways. Just as there never exist two leaves which are exactly the same, there will never be two localities where the conditions and development of agricultural production are exactly the same. Take for instance the technological transformation in agriculture. Many advanced nations have already reached a considerably high level; and some of their experiences are worth using as a reference. However, in the condition of our nation, it will never work if we copy their steps completely. Likewise, the solutions of problems in one province or county may not be effective if they are invariably applied to another province or county. For example, there are successful experiences in working on irrigation in agriculture in places where water resources are comparatively rich. But when arid places also want to carry out construction of water conservancy in a big way, the loss would outweigh the gain; and the only way out is "to travel by land transportation where there is no passage by water." Solving different contradictions with different methods is a basic principle to be observed by materialists.

If no regard is shown to the actual situation, if one single pattern is used in treating the immense variety of things, and if a compulsive demand of uniformity is asked of everything when things are forever changing, the result will possibly be changing advantages into disadvantages, and the strong points will be changed into shortcomings, and where things can be run well they will be ruined. In short, the Chinese rural areas are so vast and the situation so complicated that we must treat all problems under the guidance of the party's principle and policy, and decide the concrete measures and steps we are to adopt in accordance with the actual situation there and then. We should absolutely refrain from "demanding uniformity in everything," and from putting forward stereotyped measures and requirements, in pursuit of keeping the ranks in good order. Leading comrades at all levels should never forget this at any time.

While we oppose "demanding uniformity in everything," it does not mean promoting the idea of each going his own way. The basic principle of Marxism should not be violated, the four basic principles must be upheld, the principle and policy of the party must be implemented, and it is not allowed to refuse their implementation under the excuse of a peculiar condition, nor is it allowed to accept or reject them at will according to one's own liking.

However, not combining the party's principle and policy with the realities of each locality, nor implementing them by suiting measures to local conditions, but copying and relaying them mechanically, was, just as Comrade Mao Zedong pointed out, "not really implementing the instruction from above, but the best way to oppose or go slow on it." This is what we must resolutely correct and discard.

The appearance of the performance of "demanding uniformity in everything" in some places in the rural areas is directly linked with the fact that some comrades are not willing or are not good at making investigations and studies, have a vague notion about the conditions of their own localities or departments, and have no idea of how things stand. Without a genuine understanding of the actual situation, there will not be genuinely good leadership. The only way to know about the situation is to get oneself moving, go down to the countryside among the masses of peasants, and start doing systematic and meticulous investigations and studies. In the 3 June editorial of this newspaper entitled: "Do a Still Better Job in Rural Survey," several points were raised on how to strengthen rural survey. Here are two points to supplement them: First, it is necessary not to avoid hardships, but to be ready to put in time and energy. If one is seeking an easy and comfortable life, and wants to save trouble, while spending no efforts or using his brain, he will not do a good job in rural survey. Second, it is necessary to concentrate one's chief efforts in investigations and studies on understanding new situations, summing up new experiences and solving new problems. The rural reform is developing in a deep-going way, and new things are emerging in an endless stream. Only by grasping the new situations and new problems will it be possible to gain the initiative in guiding the work. To achieve this we should not be bound by old conditions and old experiences, nor should we be bound by viewpoints and ways which have been tested and proved unreliable and unfeasible in long-term practice. We should be bold in discarding or revising those erroneous, incomplete, improper judgments and conclusions in accordance with new practices, and persist in thorough-going materialism.

RENMIN RIBAO EDITORIAL ON PETROCHEMICAL INDUSTRY

HK150922 Beijing RENMIN RIBAO in Chinese 13 Jul 83 pp 1, 2

[Editorial: "Bring the Superiority of the Petrochemical Industry Into Play as an Economic Entity -- Another Discourse on the Only Road to Better Economic Results"]

[Text] Editor's note: The CPC Central Committee called on us to shift the whole economic work onto the path which gives priority to the attainment of better economic results. On 18 May, our newspaper carried an editorial entitled "Strive To Achieve Unity Between Speed and Results" and will carry further commentaries on this issue. The following is one of them. [end editor's note]

Our petrochemical industry, which started to develop in the late 1960's, has now progressed to a certain extent. The annual oil refining capacity of the whole country has reached more than 90 million tons. The profit and tax delivered to the state every year by enterprises under the management of the China Petrochemical Corporation account for over 8 percent of the national revenue. However, compared with other industrially developed countries, the level of our petrochemical industry is not high and the potential of the existing enterprises has not been fully tapped. Our output of ethylene, which marks the development level of the petrochemical industry, accounts for less than 2 percent of the total output of the world. This shows that we still have a fairly long way to go before we attain the advanced level of the industrially developed countries. We should set heroic aspirations, establish stout determination, and catch up with this advanced level as quickly as possible.

Our country is fairly rich in oil resources and we also have fairly favorable conditions for developing the petrochemical industry. A great problem confronting us now is decentralized management, irrational utilization of resources, and poor economic results. In developing production, some petrochemical enterprises relied for a long time on the specific conditions characterized by the low price of crude oil and the high price of the end products. With the changes in the objective situation, it is more and more difficult for them to continue to do so. In the future, it is necessary to learn genuine skills and to rely on the superiority of the economic entity and the improvement of enterprise quality to shift all work onto the path which gives priority to the attainment of better economic results.

Modern petrochemical industry is in the category of a technology-intensive trade with massive, continuous, and automatic production features. It calls for extensive and close cooperation, a high degree of centralized command, and unified management. In the past, oil refining, petrochemical, and chemical fiber enterprises were respectively under the management of departments and localities, forming multi-headed leadership and creating barriers. Decentralized management is neither beneficial to comprehensive utilization nor to the tapping of potential in the existing enterprises, and makes it difficult to avoid duplicate construction and waste of funds. In his "Report on the Work of the Government" delivered at the First Session of the Sixth NPC, Comrade Zhao Ziyang pointed out that in restructuring the economic system, "it is necessary to centralize what should be centralized with respect to major economic activities which have a strong bearing on the situation as a whole." The China Petrochemical Cooperation has been set up in accordance with this guiding principle in order to further strengthen centralized leadership and management over oil refining, petrochemical, and chemical fiber enterprises and, through comprehensive utilization of oil resources, balance and link up various production links, and strengthen cooperation between oil refining and petrochemical enterprises. In the past 2 years, the petrochemical corporations in Shanghai's Gaoqiao, Jiangsu's Jinling, and Liaoning's Fushun have discarded the barriers between different departments and localities by carrying out joint operations. This has strengthened leadership, and enabled the resources to be fully utilized. Practice has proved that by applying this combination we can organize production and improve economic results in a more satisfactory way and accumulate more construction funds for the state.

After its establishment, the China Petrochemical Corporation should proceed from the interests of macroscopic economy, make overall plans for our gas resources, and rationally deploy the productive forces and organize the exploitation of various undertakings. It is necessary to arrange the production and construction of products and raw materials in places most advantageous to the state. With respect to those enterprises or products operating with backward technology and management and yielding poor economic results, it is necessary to readjust and reorganize them in a planned way in order to rationalize the production structure. We should pay close attention to the technological transformation and exploitation of the existing enterprises. On the one hand, we should do a good job of reducing the burning of oil in the existing enterprises, particularly power plants and industrial boilers, so that oil refineries have ample raw material and can improve utilization of capacity; on the other hand, we should transform and expand the double processing equipment of oil refineries and improve intensive processing of crude oil and the quality of oil products. We should vigorously adopt new technologies and techniques, bring the superiority of the economic entity into full play, and organize scientific and technological forces to tackle key projects that have a strong bearing on the situation as a whole. It is necessary to conscientiously absorb imported advanced technology so as to perfect and improve it and strive to catch up with the advanced technological level in the world in a relatively short time.

Conducting modern management is another important link in bringing the superiority of the petrochemical industry into play. Without modern management, there would be no modernization of petrochemical industry. Following the installation of advanced equipment in many enterprises, the contradiction between backward management methods and advanced production equipment has occurred, thus affecting the development of production capacity and the improvement of economic results. Cadres at various levels should pay close attention to the training of able persons, strive to learn and apply modern means of management, and strengthen basic work in enterprise management.

Better utilization of 100 million tons of petroleum and attainment of better economic results from 100 million tons of petroleum constitute a strategic decision for ensuring the steady development of the national economy. It is hoped that all comrades from the petrochemical department will carry forward the enterprising spirit of making our country powerful, and strive to build the corporation into an economic entity which has advanced technology and management and which has competitiveness both at home and abroad.

RENMIN RIBAO DISCUSSES CITIES GOVERNING COUNTIES

HK190954 Beijing RENMIN RIBAO in Chinese 10 Jul 83 p 5

[Article by Wu Peilun and Ni Di: "Have a Correct Understanding of Reforms To Put Counties Under City Administration"]

[Text] Since the beginning of this year, certain provinces in the country have, in the course of the reform of the administrative structure, tried out a new system of abolishing a number of districts and putting counties under city administration. This is an important measure of reform which is in accordance with Premier Zhao Ziyang's report to the Fifth Session of the Fifth NPC in which he advocated that the role of central cities and towns be brought into full play. It is also in accord with the useful experiences gained in this regard in Liaoning Province for many years. Actual practice has shown that this system of cities governing counties helps in linking together departments and regions as well as cities and the countryside, and also helps in bringing into full play the superiority in economics, science, technology, and culture of the central cities and towns. It makes full utilization of the resources of the countryside, makes cities and towns support the countryside, and promotes economic development in the entire urban and rural areas. The direction of cities governing counties is thus a correct one. However, so far as the vast territories of our country as a whole are concerned, it is still a new kind of work. The necessary experiences are lacking and, in thought and understanding as well as in actual work, certain problems still need to be probed.

1. Leadership of Cities Over the Countryside Is a Natural Trend in Economic Development; This Reform Should Conform to Objective Needs and Plausibility of Economic Development

In the reform of putting counties under city administration, cities which are relatively developed economically are taken as the centers. They guide the surrounding countryside, organize production and circulation in a unified manner, and gradually form themselves into various types of economic zones and economic networks of varying scales with cities and towns as their central support. Hence, central cities and towns governing counties must possess certain economic, scientific, and technological strength and must have certain economic liaison with the counties under their administration. It is also conceivable that these conditions on the part of the central cities and towns are gradually formed in accompaniment with their economic development. For this reason, the reform of placing counties under city administration must first follow a concrete analysis of the actual conditions of economic development and must be rationally organized for implementation.

If no consideration is given to the actual level of the economic development of the cities and towns, and if consideration is given only to carrying out a reform of the administrative structure as an accommodation to the placement of the cadres and is confined to simply merging together the cities and the countryside, then there is no way to achieve the above-mentioned objectives. For example, in this reform, some counties which have not yet acquired the conditions of central cities and towns have been directly elevated to the status of cities subordinate to the province, and thus merging of cities and countryside, with a number of counties under their administration, was haphazardly carried out. This may be likened to a small pony trying to pull a heavy load which obviously is beyond its capacity. Certain cities and towns may have already attained certain economic growth, but if they are subjected to such merging work and supposed to govern too many counties, it may also be beyond their capacity.

Judging from the actual conditions of the economic development in various localities of the country and from what certain provinces have been doing, the reform of putting counties under city administration may be handled separately in line with varying conditions. For example, let us take certain districts which have relatively developed central cities and towns and the scope of the economic relations between these cities and towns and the counties surrounding them is more than akin to the scope between the districts and their subordinate counties. In such a case, it will be possible to merge together the cities and districts and carry out the reform of cities governing counties. In some districts, their central cities and towns are not strong enough to lead all the counties in the district. In this case, the cities may govern only a portion of the counties. Some districts may even assign their subordinate counties to the administration of central cities and towns in neighboring districts, in this way carrying out what may be termed transregional reform calling for cities to govern counties. In districts in which relatively developed central cities and towns are lacking, we should not artificially carry out any reform of cities governing counties. At present, in many localities in the country, many districts are still in a transitional stage or may still need some readjustment. In such cases, we should appropriately retrench the size and scope of the party and government organs therein. If the objective law governing economic development is ignored, and we simply proceed to replace the signboard of a district with that of a city, then not only will it be impossible to truly demonstrate the cities role of taking the lead over the countryside but also it will only violate or break the economic network linking together cities and the countryside. This will surely miss the original purpose of the central authorities in instituting this reform.

2. Implementation of the Reform of Putting Counties Under City Administration Must Pay Due Regard to Both Cities and Countryside and Must Join Them Together To Form a Co-prosperous Organic Whole: Neither Leadership Over City Work nor That Over Rural Work Should Be Lessened.

In the reform putting counties under city administration, some comrades working in the cities have mistaken the purpose of this reform as being merely that the countryside must render more services to the cities in production and in livelihood. They have taken up work in the counties mainly to solve the problem of cities requisitioning land or raw materials for their plants. In their leadership methods, they scarcely paid any regard to the special features of rural work. At the same time, some comrades actually considered the countryside as a burden to the cities, while certain comrades in the counties were afraid that after accepting the cities' leadership, the cities would take more but give less. This would increase the burden of the countryside. Besides, they feared that rural work could hardly find any place in the daily agenda of the cities' party committees. Therefore, how to look after both the cities and the countryside as well as industry and agriculture so that both can be closely linked together is an extremely important problem.

In March this year, Changzhou City began the new system of assuming leadership over three counties. Comrades in Changzhou believed that in implementing the city governing the counties, we should delve into problems from the strategic high plane of the composite social and economic development of the city and the countryside. At present, they are organizing five economic networks linking city and countryside, including an industrial and economic network, scientific and technological network, commodities circulation network, communications, postal and telegraph network, and financial and currency network. By means of these five networks, development of the region is connected and coordinated with the development of the Changjiang delta economic zone which has Shanghai as its center. In order to strengthen guidance over rural work, they have additionally established a rural work commission and sought the following changes in the leadership methods over rural work: The old method of "urging planting and urging harvesting" to be changed to "rendering services" to the peasants, and the old method of issuing mandatory directives to be changed to a moderate policy of mobilization, using scientific, technological, and economic methods, and teaching by example. In the past few months, various departments in the city have taken the initiative to delve into the counties and communes to carry out investigation and research work. They have done much work along such lines as supplying materials, providing technical training, furnishing technology and equipment, arranging production tasks, and helping in the marketing of products. They have received the acclaim of cadres and people in the countryside. In Dandong City, where the scheme of city governing counties has been in force for several years, plans were laid for developing the urban and rural economies as a whole and a system of "four helps and one concession" (helping the countryside with capital funds, equipment, technology, and raw materials and making a concession of products to the countryside) was instituted. In addition, various new forms of urban and rural economic combination were introduced such as organizing a production line of big-scale chain-like coordination between the city and countryside, developing urban and rural jointly-operated enterprises and putting into practice the unified supply and marketing of products. All these measures aim at making the city and towns and the countryside develop their own special features and allow their good and bad points to offset each other. They also aim at setting up an industrial system of a special feature which is based on resources in the countryside and counts on silk filatures, papermaking, chemical fibers, and wristwatches as its pillar industries. Raising production efficiency and readjusting the geographical distribution of production are also among their aims. What these two cities have done provides us with useful lessons.

3. Reform of Putting Counties Under City Administration Aims at Forming Economic Zones and Networks Which Have Cities as the Centers, Are Open, and Beneficial to Production and Circulation; the Reform Should Not Result in the Formation of a System by Itself, Which Would Thus Bring About a New Regional Division.

In the course of the reform, some comrades are of the opinion that the reform calling for cities to govern counties is in effect a new system which is still "mainly regional in character" but which takes cities and towns as centers. Comrades holding this viewpoint consider that under the system of cities governing counties, the administrative zone is entirely identical to the economic zone. Hence, some comrades feel concerned that following the reform the power of the cities will be enhanced and that while the former regional demarcation is abolished, a new and more serious regional carving up will take its place. In reality, in actual work certain symptoms of a new trend have appeared. In certain cities and counties the merging of certain enterprises has been brewing for some time, but following their realignment to different cities and towns, the preparatory merger work had to be halted. This is a problem that should be looked into in the reform calling for cities to govern counties.

In our opinion, the reform calling for cities to govern counties will greatly facilitate the formation of economic zones and economic networks with cities and towns as centers. But these zones and networks are of the open, not closed variety. The horizontal expansion of economies of different trades and industries and of different products frequently form a jagged and interlocking pattern in-between and among the various administrative zones of cities governing counties and is not confined to the limits of any one administrative zone. It would be extremely harmful to make use of the administrative zones under the system of cities governing counties to artificially break up this type of horizontal liaison. One of the main objectives of carrying out the new system of cities governing counties is to solve the contradiction between departments and regions and overcome the drawbacks of regional demarcation. Hence, in this reform, each central city or town must view the situation as a whole and consider itself an important link in the economic network of the whole country. In organizing cooperation and merging, the central cities and towns should act in accordance with the national trade development plan. They should accept the cooperation and guidance of trades and industries and refrain from undertaking "big and comprehensive" projects, far less any scheme placing themselves "above all." In carrying out the reform of cities governing counties, we must keep in step with the various reforms of the economic system. It is necessary to gradually change the economic system and leading methods with administrative management as the dominant factor and to probe into how to practice rational division of work between government and enterprises and how to work in accordance with economic laws. The combination and cooperation of enterprises with other cities or towns should not be discouraged. Only in so doing will it be possible for the numerous medium-sized and small economic zones, with medium-sized or small cities or towns as centers, to combine together with large economic zones with large cities and towns as centers, and gradually form an economic network which is large in size, open in form, possessing many layers or levels, and rational in character.

4. At Present the Reform Calling for Cities to Govern Counties Must Be Carried Out on a Trial Basis, Not Too Swiftly or on a Grand Scale

The system of cities governing counties has been in force in Liaoning Province for over a score of years as a result of which many valuable experiences have been gained. However, speaking of the country as a whole, it is still a new kind of work and lacks the necessary experiences. In our opinion, this reform should not be carried out on too large scale in the country as a whole, and not too swiftly. Aside from Jiangsu Province which has already set up several trial points, other provinces and autonomous regions possessing the necessary conditions may, in accordance with their actual conditions, select one or two central cities or towns which are economically relatively developed and designate them as trial points. Along the coastal areas there are comparatively more cities of medium size which are economically developed; from among them many more trial points may be set up. Provinces and autonomous regions in the interior in which the conditions are still not ripe, should take more time before implementing the reform. As for the number of counties which normally should come under the administration of the cities in the trial points, this should depend on the conditions concerning economic burden and economic liaison or relations. Cities which do not have the conditions for governing too many counties should administer fewer counties. Cities and towns already possessing certain conditions should have their status raised to that of a city directly subordinate to the province. Their outlying areas or suburbs should be appropriately enlarged so as to prepare the ground for enforcing the reform.

In general, this reform is an important part of the reform of the economic structure. Its purpose is to bring the economic organization role of cities and towns into full play and should not be taken simply as a measure for the merging of administrative organs or readjusting of administrative zones. We should study it as a problem concerning economic management or control structure. It is a reform of a comprehensive nature. The investigation and studies concerning it should range from guiding ideology to guidelines and policies and must touch on a series of topics including planning, finance, circulation, and enterprise management. Therefore, in handling the trial points of this reform, it is extremely necessary that we make an in-depth investigation and study, and meticulously discuss and formulate the reform project.

BETTER HANDLING OF GRAIN PROCUREMENT FUNDS URGED

OW180411 Beijing XINHUA Domestic Service in Chinese 1142 GMT 15 Jul 83

[Text] Beijing, 15 Jul (XINHUA) -- The General Offices of the CPC Central Committee and the State Council recently approved and circulated a "Report on Resolutely Correcting the Practice of Deducting Funds in Settling Accounts in Grain Procurement" prepared by the Rural Policy Research Office under the CPC Central Committee Secretariat, the Ministry of Commerce, the Ministry of Agriculture, Animal Husbandry and Fishery, and the Agricultural Bank of China. They urged all localities and departments throughout China to consult and implement this report.

In approving and circulating the report, the General Offices emphatically pointed out: In doing all work in rural areas, we should constantly keep in mind the production and livelihood of the 800 million peasants and pay close attention to their sentiments and desires. It is necessary to strengthen ideological and political work and to instruct peasants to love the country and the collective and contribute more to the four modernizations. It is also necessary to promptly and effectively help them solve practical problems. We should be meticulous in our work and should not create inconveniences and difficulties for the masses in order to save ourselves trouble, nor should we encroach on the masses' interests. In this way, we will have the people's support and will swiftly and satisfactorily fulfill our tasks in all fields of work.

The report of the Rural Policy Research Office and the three other departments said: We had another bumper harvest of summer grain this year. Many peasants are happily and enthusiastically delivering public grain (agricultural tax) and surplus grain. It has been reported that, in many places, food departments are allowed to deduct a certain amount of money when the peasants sell grain to them. This money includes common funds to be retained by collectives, funds for social program, loans and other expenditures. There are reasonable as well as unreasonable charges under a multitude of names, ranging from a dozen to more than 20 in some cases. Usually the annual charge is deducted in one single season. This involves a lot of money. In some cases, the money due to the peasants after they have sold the grain is deducted for a large part or deducted in its entirety, making them end up in debt. This has aroused strong resentment among the peasants.

The report said: The time after summer harvest is crucial for the rush-planting of autumn crops. The peasants are badly in need of money to buy chemical fertilizer and farm chemicals and to acquire new farm implements and repair the old ones. The deduction of grain money not only directly affects current production, but also creates many difficulties for the peasants' livelihood. To obtain badly needed funds, some peasants have been compelled to sell their grain in the market or transfer grain to their relatives to be sold as surplus grain or at a negotiated price. This affects the fulfillment of the grain procurement task and increases the state's financial expenditures.

Many of these unreasonable charges levied from the peasants remain to be sorted out. Under these circumstances, the deduction of charges, whether they are reasonable and legal or not, from the peasants' grain money tends to encourage the erroneous trend of willfully increasing the peasants' burden.

1. When procuring grain, the food departments should promptly settle accounts. They should settle accounts with the household, the teams, or groups that deliver the grain and pay those who deliver the grain. The accounts for the grain and the money should be balanced. With the exception of public grain (agricultural tax) and the deposited funds stipulated in the contracts, the food departments should not make deductions on behalf of other departments and units.
2. Banks and credit cooperatives should closely cooperate with the food departments in doing grain procurement work. They should, in particular, vigorously support the practice of settling accounts with the households that actually deliver the grain, directly pay them the money and settle accounts on a household basis. In settling accounts, they should comply with the peasant households' demands. Those who need cash should be paid in cash and those who want their money transferred to other accounts should be provided the necessary accommodation. Banks and credit cooperatives should not make deductions on behalf of other departments and units. They should recover the loans they have extended to peasants in accordance with the relevant provisions in the contracts, and should not attempt to willfully deduct loans or issue savings deposit slips when settling accounts with the peasants.
3. Funds for social programs and common funds to be retained by the collective should be collected from the peasants according to government regulations. They should be discussed democratically, decided on by the masses, and collected according to the contracts signed between the parties of the collective economy. Peasants who have difficulty paying these funds may defer their payments, or their payments may be reduced or exempted depending on the situation.
4. Party committees and people's governments at all levels should strengthen leadership over grain procurement work, carry out profound and meticulous ideological and political work, instruct cadres, party members, and peasants to give equal attention to the interests of the state, the collective, and the individual, correctly handle the relationships between the three parties, and organize departments concerned to closely consult one another and ensure smooth progress in fulfilling the grain procurement task. They should instruct peasants to follow the relevant regulations and contracts and actively pay the social program funds and collective retention funds in order to ensure the normal and healthy development of projects for the social good and activities of the collective economy. The loans that peasants owe to banks and cooperatives should be repaid as scheduled. Unreasonable charges and retention funds should be sorted and straightened out in a well-guided manner by relying on the masses.

STATE PLANNER ON SCALE OF CAPITAL CONSTRUCTION

0W140813 Beijing XINHUA Domestic Service in Chinese 1219 GMT 12 Jul 83

[Text] Beijing, 12 Jul (XINHUA) -- An urgent task which must be resolutely accomplished in current economic work is to control the scale of capital construction and put existing projects in order, said Song Ping, state councillor and minister in charge of the State Planning Commission, at a conference convened by the commission on 11 July and attended by responsible persons of departments in charge of capital construction under the State Council.

The conference was convened for the purpose of exchanging views with responsible persons of the various departments on how to implement the guidelines of the First Session of the Sixth NPC on the capital construction front, to control the scale of capital construction and to strengthen priority construction projects by making better use of financial and material resources.

Song Ping said: The scale of capital construction must correspond to the strength of the nation. This is a basic condition for stabilizing the national economy as a whole. In recent years, the party Central Committee and the State Council have issued repeated injunctions on strictly controlling the scale of capital construction and paying attention to investment returns, but without success. The principal reason for this has been the overexpansion of self-raised investment funds and those obtained through bank loans. As a result, not only was there no improvement in investment returns, but they actually dropped. The trend in the overexpansion of investments in capital construction has continued since the beginning of this year. If this is not checked, it may disrupt the state plan. The rapid increase in the general scale of investment in capital construction has not been able to boost key construction projects. The principal reason for this is that too many projects, especially small ones, are being built. Compared with 1978, total investment in capital construction in 1982 rose only 10 percent, while the number of construction projects increased 56 percent, of which small projects rose from 45,000 to 70,000. The number of projects started in 1982 reached 33,500, accounting for 48 percent of the total number of small projects being built. This made it impossible to make good use of investment funds, and what happened was that planned projects were replaced by unplanned ones, and key projects by general ones.

Song Ping noted: Controlling the scale of capital construction and putting existing projects in order is an important matter, which must be resolutely carried out. We are not doing our duty if we fail to control the general scale of investments in capital construction this year and permit investment returns to continue to drop. This will affect the stability of the national economy. Therefore, various departments and areas should immediately conduct a check to see if their capital construction scale exceeds the plan set by the state this year. If their projects exceed the state plan, they must halt them in accordance with the requirements of the party Central Committee and the State Council.

Song Ping said that to successfully curb the scale of capital construction, it is necessary to put existing projects in order. He noted: Historical experience tells us that reduction in investment alone, without cutting down on the number of projects, will not only produce no result, but will worsen the situation, prolong the cycle of construction, and cause a drop in investment returns. Therefore, while controlling the scale of capital construction, we must earnestly put existing projects in order, and even suspend or slow down the construction of some of them. Regarding projects whose investment funds are raised by enterprises themselves, it is necessary to reduce both investment and the number of such projects. If we fail to scale down capital construction investment this year, investment for next year will not be able to increase but has to drop, and we would suffer even greater losses and not be able to gain the initiative in work. The whole situation depends on the work of the localities, and it is better to scale down capital construction now than later. In other words, a short pain is better than a long pain.

Song Ping said: We must have a sense of urgency. We must seize the opportunity, successfully control the scale of capital construction, and put existing projects in order within 2 months.

CHINA DAILY EXAMINES CAPITAL CONSTRUCTION INVESTMENT

HK160654 Beijing CHINA DAILY in English 16 Jul 83 p 2

["Special" to CHINA DAILY by Xu Ming, counsellor of the State Planning Commission: "10 Billion Yuan -- A Warning Mark for Capital Investment"]

[Text] Since the founding of the People's Republic of China, there have been several occasions when investment and the scale of capital construction increased too quickly, causing upheavals in national economic growth. If we include 1982, there have been four years when capital construction investment increased by more than 10 billion yuan. They are:

1958: 12.8 billion yuan
1970: 10.9 billion yuan
1978: 11.5 billion yuan
1982: 11.2 billion yuan

Of course, conditions were not exactly the same each time. But these important reference figures, and some people say that 10 billion yuan is a warning mark.

As too fast a growth in capital construction investment had repeatedly affected economic development, why was it allowed to occur time and again?

Before 1949, the Chinese people had long been oppressed by imperialist aggression and exploited by bureaucrats and landlords, and as a result, lived in poverty. After the founding of the People's Republic, everyone wanted to build a strong prosperous socialist country as quickly as possible.

Lack of experience and scientific knowledge led to unrealistic and over-anxious thinking and methods. This was the main reason for the repeated economic undulations of the past 30 and more years.

Vice-premier Yao Yilin in his report to the Sixth National People's Congress mentioned the existence of dispersion of capital construction investment and unnecessary repetition of construction projects. There are also historical reasons for such errors. For a long time, China's economy had been mostly self-contained. Commodity production and exchange had appeared early, but developed slowly. Small-scale production, little economic information and under-developed transport and communications resulted in each district satisfying its own needs.

Reason

Although great changes have taken place in the past 30 years, yet there is still no unified and sensitive market based on a comprehensive information network. Each district, department or enterprise quite naturally pays more attention to development and construction geared to its own needs. It pays little heed to arranging production, circulation and consumption to suit the national economy.

Another important reason for the rapid increase of capital investment was poor economic return of capital construction. Recently conducted investigations on a large number of large and medium-sized projects disclosed that actual investment among many of them greatly surpassed the original estimate.

There are many reasons for this, and the construction units should bear part of the responsibility. For instance, sometimes construction was started without feasibility studies and careful examination of the design, causing work stoppages and alteration of designs.

Other reasons are the result of poor management, such as insufficient or irrational arrangement of the construction force and insufficient or untimely supply of raw materials. Some problems cannot be solved by the construction units themselves, for instance, the rise in the price of material.

Because capital construction investment greatly surpassed the original plan, supply of building materials became tight. As a result, from the latter half of last year, some districts and enterprises, contrary to government regulations, raised prices of steel products, cement, glass and timber, and thus also raised the costs of capital construction units.

Another problem is that many districts, departments, enterprises and individuals exact all kinds of fees from construction units.

If we make a rough classification of capital construction investment in 1982, we will find that direct investment by the government did not surpass the budget by too big a margin. Investments that did break loose from the State plan were those not included in the national budget and provided from funds raised by localities, departments and enterprises themselves, and from bank loans.

Such investments occupied nearly nine billion yuan out of a total 11 billion yuan of unplanned investment for 1982. Thus, only with control of this part of the investment, can the scale of capital construction be kept from getting too large.

Before 1979, state investment usually occupied about 80 percent of the total capital construction investment. In 1980, the proportion dropped to 62.5 percent; in 1981 to 56.8 percent; and in 1982, to 49.8 percent. This development is closely connected with the policies of enlarging the authority of enterprises since 1979, changing the financial relations between the central government and the localities and letting banks provide loans for capital construction.

These are some of the most important reasons for capital construction investment being increased too quickly in 1982. If the trend is not halted, it will harm the overall national economic development. Thus, a series of important measures are being adopted to control and suppress the growth of capital investment.

NIE RONGZHEN ARTICLE ON ORGANIZING SUMMER CAMPS

HK150254 Beijing RENMIN RIBAO in Chinese 10 Jul 83 p 7

[Article by Nie Rongzhen: "Hopes on Organizing Summer Camps for Literature and Art" -- written for the first national children's summer camp for literature and art jointly held by the Ministry of Culture and six other units]

[Text] Organizing summer camps is a very good organizational form of using the vacation of the students to give them all-round training in accordance with the requirements of "good pupils in three aspects," which had long been advocated by Comrade Mao Zedong. During the vacation, it is primarily necessary to build up a good physique, guiding the pupils to unfold various activities that are colorful and varied and rich in educational significance. At present, the party's policy and principle are correct in the field of culture, literature, and arts. Nevertheless, in the society there are still some unhealthy things, masquerading as being genuine, circulating among the masses.

Some even openly propagate the decadent bourgeois way of life. This is not advantageous to teenagers, who lack the ability to draw distinctions. It is my hope that you will guide the students in making use of such a good opportunity to receive vivid ideological education in socialist art and literature, that you will raise their cultivation in art and literature and their ability in appreciation, and that you will aid them in building a good physique and spending a most significant and happiest summer vacation.

LEADERS AT OPENING OF FACTORY MANAGERS SCHOOL

OW191900 Beijing XINHUA in English 1633 GMT 19 Jul 83

[Text] Beijing, July 19 (XINHUA) -- A new-type university was inaugurated here today to train factory directors and managers for China's modernization program.

The associated correspondence university for economic management will use teaching texts carried in the magazine ECONOMIC MANAGEMENT. With 38 subdivisions across the country, the university plans to enrol 8,000 in-service trainees this year for a three-year course.

Jointly sponsored by the ECONOMIC MANAGEMENT and related colleges and industrial and mining enterprises, the university aims to train managerial personnel in state-owned industrial enterprises. These personnel now number 3.5 million, or one-tenth of the enterprises' total work force.

The sponsoring institutions will provide the university with teaching facilities, and college professors and specialists will be invited to give lectures for trainees at different venues.

[Beijing XINHUA Domestic Service in Chinese at 1300 GMT on 19 July in a similar item adds the following: "Bo Yibo, Deng Liqun, and He Dongchang attended the school's inauguration today and put forward their expectations for the school."]

Honorary presidents of the university are Bo Yibo, a well-known leader in China's economy and now vice-chairman of the Central Advisory Commission of the Communist Party of China, and Yuan Baohua, vice-minister of the State Economic Commission. Ma Hong, president of the Chinese Academy of Social Sciences, serves as the university president.

NATIONAL OCEANOLOGICAL PROGRAM TO BEGIN

OW191027 Beijing XINHUA in English 0738 GMT 17 Jul 83

[Text] Beijing, July 17 (XINHUA) -- China will soon start to draw up a long-term national program for oceanological work to push the exploitation of marine resources to a new stage. This was decided at a three-day national forum on the work sponsored by the State Planning Commission and the State Bureau of Oceanology. The forum closed here today.

Participants held that China's marine work is now in a transitional period from traditional utilization to large-scale exploitation of marine resources. To the centuries-old industries of salt-making, fishing and shipping are added such new marine industries as exploitation of off-shore oil and gas. Such new rising industries will play an ever more important role in China's modernization drive.

They agreed that the program should reflect an overall concept of the marine work and be incorporated into the country's plan for national economic and social development.

They also agreed that the program should aim at raising economic and social benefits of marine work and to promote an all-round development of the marine industries.

It was decided at the forum that the State Bureau of Oceanology will be responsible for drawing up the program under the guidance of the State Planning Commission.

COASTAL ZONE MANAGEMENT LAW BEING DRAFTED

OW191457 Beijing XINHUA in English 1442 GMT 19 Jul 83

[Text] Beijing, July 19 (XINHUA) -- China will institute a law for conserving and rationally developing natural resources and protecting the ecological environment in the coastal strip, it was announced at a meeting here today.

A national group responsible for drafting the coastal zone management law was formed at the same time on the authority of the Standing Committee of the National People's Congress and the State Council.

The 23-member group is headed by Yan Hongmo, deputy director of the State Bureau of Oceanology, with oceanologist Ren Mei'e as its advisor. Members come from 13 units including the Ministries of Agriculture, Animal Husbandry and Fishery, Communications, and Light Industry. Representatives from coastal provinces and universities are also included.

At the first meeting of the group which opened today, Yan Hongmo said that in China, the coastal zone refers to the strip lying between a line on the land 10 kilometers from the seashore and the bathymetric contour at a depth of 15 meters. It covers various geographical forms with rich resources, such as seabeaches, shallow seas, river mouths, bays and marshes.

Densely populated, the zone sees the busiest human activity and, therefore, its ecological environment is most susceptible to damage. Investigations have shown that more than half of the marine pollutants are concentrated in such zones, he added.

With the expansion of China's economy and construction, he went on, the effort to develop the zone will take on an ever larger scale and contradictions among various sectors of the economy will grow.

Yan Hongmo noted that the new law is designed to deal with three aspects of coastal zone management: conservation of the coast, including delimitation of conservation areas, construction and protection of sea walls, prevention of serious coastal calamities, and rescue operations; management of coastal projects, including mediation in disputes over use of land in the construction of harbors, municipal works, nuclear power stations, etc., control over the development of the tidal zone for breeding aquatics, reclaiming land, making salt or growing reeds.

The new law is expected to be ready by 1986, the deputy director said.

PLANNING COMMISSION PICKS MORE KEY PROJECTS

OW191215 Beijing XINHUA in English 1101 GMT 19 Jul 83

[Text] Beijing, July 19 (XINHUA) -- The State Planning Commission has selected 50 more large and medium-sized projects as key state undertakings that will be given priority in funds and materials. This brings the number of key state construction projects next year to 120.

Total investment of 64 billion yuan accounts for 27.8 percent of the total capital spending in the Sixth Five-Year Plan period. Of this amount, 18 billion yuan was made available in 1981 and 1982, and 13 billion yuan will be invested this year.

Of the new key projects, 24 are in energy development (5 in coal, 7 in oil and 12 in power), ten in transport and communications and 14 in raw materials production.

Completion of the energy projects will add 21.39 million tons of coal, 36.8 million tons of oil and 7.6 million kilowatts of electricity during the Sixth Five-Year Plan period.

China launched a nation-wide campaign over the past week to support key state construction projects which are considered as vital for vigorous growth of the national economy.

PLA POLITICAL ACADEMY HOLDS GRADUATION CEREMONY

OW200521 Beijing XINHUA Domestic Service in Chinese 1512 GMT 16 Jul 83

[Text] Beijing, 16 Jul (XINHUA) -- The Chinese PLA Political Academy yesterday held a graduation ceremony at which some 400 graduates received their diplomas.

Trainees were selected to attend this school in accordance with the demands set by the party Central Committee and its Military Commission that the Army is reorganized to simplify its structure and that its cadres contingent become more revolutionary, younger in average age, better educated and professionally more competent. The division-level and regimental-level cadre-trainees among them are fairly young. They have completed either a 1-year or 2-year course. Adhering to the principle of integrating theory with practice, they systematically studied philosophy, political economy, scientific socialism, and other basic Marxist theory. They also studied the CPC's history, Army political work and Mao Zedong's military thought. They have markedly raised their theoretical level and improved their thinking, methods of thinking, style of work, and party awareness. After graduation, they will be assigned to fill and strengthen leading bodies of PLA units at and above the regimental level. A number of instructors who completed 2-year courses on philosophy and political economy will be assigned to strengthen the Army's contingent of theoretical instructors.

The Military Commission of the CPC Central Committee has called on the Political Academy to truly become the Army's party school and the highest school for training political work cadres. The graduation of these trainees indicates the beginning of a regularization program undertaken by the Political Academy to shift the stress of its work from running short-term rotational training classes to running long-term training classes. It also marks the first step taken by the academy in the direction pointed out by the Military Commission.

CIRCULAR ON 'ENERGY SAVING MONTH' ACTIVITIES

OW172125 Beijing XINHUA Domestic Service in Chinese 0237 GMT 16 Jul 83

[Text] Beijing, 16 Jul (XINHUA) -- In accordance with the specific energy-saving for industrial and mining enterprises and cities, all localities and trades and occupations this year should carry out a widespread inspection, appraisal, and grading activity. Enterprises meeting specific grading standards may be given priority in energy supplies, and those failing to meet standards will have their energy supplies limited, reduced, or stopped altogether. This was put forward in a circular issued recently by the State Economic Commission on launching the fifth nationwide "energy saving month" activities in November this year.

The circular says: In the past few years, our country has done fairly well in saving energy. In the 3 years from 1980 through 1982, the country saved more than 80 million metric tons of standard coal, which effectively promoted the sustained growth of the national economy. But, our energy supply and demand is still strained and has become a restricting factor to our national economic development. Therefore, while striving to speed up energy exploitation, devoting major efforts to saving energy has become an effective and realistic way to solve the energy shortage.

The circular calls on all localities and trades and occupations to carry out between now and the "energy saving month" an extensive and all-round enterprise energy survey among enterprises with an annual consumption of 10,000 metric tons of standard coal or more and make a constant effort to increase the energy utilization rate, while launching a widespread publicity campaign for saving energy.

The circular says: In order to command the advanced, propel the backward, and do a better job in saving energy, an activity to commend the advanced enterprises in saving energy will be held annually, beginning from the "energy saving month" this year. Advanced enterprises in saving energy in the whole country will be divided into three classes: enterprises which win a mark of 90 or higher in the appraisal, meet the 8 economic and technical targets [referring to output, variety, quality, consumption, labor productivity, costs, profit, and amount of circulating fund] set in the plan, and have a unit product energy consumption rate matching or surpassing advanced world energy consumption levels for similar products may be rated as "first class advanced enterprises in saving energy" enterprises which have a unit product energy consumption matching or surpassing the advanced national energy consumption levels for similar products may be rated as "second class advanced enterprises in saving energy" and enterprises which have a unit product energy consumption matching or surpassing advanced provincial energy consumption levels for similar products may be rated as "third class advanced enterprises in saving energy." These enterprises will be named and conferred honorable titles by the State Economic Commission.

MINISTRY OF RAILWAYS MEETING ON 'EVIL TRENDS'

OW172140 Beijing Domestic Service in Mandarin 1200 GMT 15 Jul 83

[Text] The Ministry of Railways held an emergency telephone meeting this morning to call on all railway departments to earnestly implement the guidelines laid down by the urgent circular of the State Council and the Discipline Inspection Commission of the CPC Central Committee and resolutely curb the evil trends of arbitrarily increasing prices and collecting fees.

Li Kefei, vice minister of railways pointed out in his speech, that railway departments are faced with many problems of arbitrarily increasing prices and collecting fees, indiscriminately paying bonuses, inaccurately estimating costs, and building construction projects not included in the original plans. All these problems have seriously tarnished the prestige of the people's railways.

He called on the leading comrades at all levels in various railway departments to get mobilized immediately and curb these two evil trends. He said: Those who refuse to correct their errors after 15 July will be subject to severe punishment and those who try to shield offenders will be held responsible for their criminal liabilities.

INDUSTRY DEVELOPS MORE SMALL FARM MACHINES

OW180631 Beijing XINHUA Domestic Service in Chinese 1204 GMT 14 Jul 83

[By reporter Li Anding]

[Text] Beijing, 14 Jul (XINHUA) -- This reporter has learned from the Ministry of Machine-Building Industry that the agricultural machine industry in our country fulfilled 63 percent of the annual production task during the first half of this year. The total value of output increased 20 percent as compared with that of the same period last year.

As a result of the further development of the economic responsibility system in rural areas, the broad masses of peasants have greatly increased their demand for small-sized agricultural machines and farm implements. Small-sized tractors, diesel engines, trailers, plant protection equipment and medium and small-sized water pumps for agricultural use all fall short of demand. Agricultural machine plants in various localities are tapping their potentialities and making efforts to produce more items in order to meet rural demand.

To meet the need of diversified farming operations including agriculture, forestry, animal husbandry, side occupations and fishery, agricultural machine enterprises in various localities have developed a number of small-sized, light, convenient and cheap new agricultural machine products such as a 15-four wheel tractor, a granulated fodder processing machine for fish raising, a fodder mixer, a wind-powered generator and a grinder.

Agricultural machine plants in various localities have also adopted flexible operational methods and held technical demonstration and sales promotion exhibitions to introduce agricultural machinery operation and maintenance to rural customers. Owing to improvement of service and expansion of sales, total stock of agricultural machinery in the whole country in the first half of this year dropped 17 percent as compared with that of the same period last year.

LARGEST DOMESTIC HOVERCRAFT MAKES MAIDEN VOYAGE

OW151809 Beijing Xinhua in English 1634 GMT 15 Jul 83

[Text] Beijing, July 15 (XINHUA) -- An 80-seat sidewall hovercraft -- the largest made in China -- has successfully conducted a maiden voyage of 128 kilometers along the Yangtze River.

The hovercraft, "Jinxiang", sailed from the Shanghai harbor at 08:10 hours yesterday and arrived at the Jiangsu provincial port of Nantong in two hours and 50 minutes later, at a maximum speed of 55 kilometers per hour, despite of flood crests and ebb tide on the river.

The new craft was a joint project of the Marine Design and Research Institute of China and the Dagu shipyard in Tianjin.

The "Jinxiang" is 22.2 meters long, 6.9 meters wide and 5.2 meters high. The hull is made of high-strength, corrosion resistant aluminium alloy. The craft had a shakedown cruise at Tianjin harbor in last September when it was completed.

A spokesman for the Shanghai office of the Yangtze River Navigation Administration told XINHUA that the craft is scheduled to go into operation soon. It is expected to save four to five hours sailing from Shanghai to Nantong.

BIOGRAPHICAL DOCUMENTARY ON YE JIANYING SLATED

OW161144 Beijing XINHUA in English 1126 GMT 16 Jul 83

[Text] Beijing, July 16 (XINHUA) -- A biographical documentary of Marshal Ye Jianying will be shown across the country on August 1, the 56th anniversary of the Chinese People's Liberation Army, according to the China Film Distribution and Exhibition Corporation.

The documentary, produced by the August 1 Film Studio of the P.L.A., chronicles Marshal Ye's military life of more than 60 years and shows his contributions to China's national liberation and prosperity in the revolutionary wars and socialist construction. Many materials contained in the film will be presented for the first time.

Ye Jianying, who is 86 years old, was chairman of the Standing Committee of the National People's Congress until recently. He is vice-chairman of the Central Military Commission of the state and the party.

ANHUI PROVINCE CONTINUES ANTIFLOOD BATTLE

Third Changjiang Flood Crest

OW200148 Hefei Anhui Provincial Service in Mandarin 1100 GMT 19 Jul 83

[Text] The third flood crest from the upper and middle reaches of the Changjiang River has reached Anhui Province. At 0600 today, the water level at Anqing was 17.76 meters, up 4 cm from yesterday's water level; the water level at Datong was 15.46 meters, up 4 cm from yesterday; the water level at (Fenghuangjing) gate was 14.31 meters, up 2 cm from yesterday; and the water level at Wuhu was 12.02 meters, up 2 cm from yesterday.

Tongma Dike

OW200709 Hefei Anhui Provincial Service in Mandarin 1100 GMT 19 Jul 83

[Text] On the afternoon of 18 July, Governor Wang Yuzhao, Anqing Prefectural CPC Committee Secretary (Feng Jianhua) and Wangjiang County CPC Committee Secretary (Zho Cangji) made a special trip to Huayang Town in Wangjiang County to comfort the commanders and fighters of the Nanjing PLA units taking part in combating the floods along the (Tongma) dike. Governor Wang Yuzhao praised them for their contributions in protecting the dike, dealing with emergencies, rescuing flood victims, and transporting materials. On behalf of the provincial party committee and the provincial government, he extended his cordial regards to the commanders and fighters of the Nanjing PLA units, and encouraged them to continue to exert themselves and join the people in ensuring the safety of the (Tongma) dike.

JIANGSU GOVERNOR ADDRESSES ANTIFLOOD MEETING

OW200507 Nanjing Jiangsu Provincial Service in Mandarin 1100 GMT 19 Jul 83

[Excerpts] The provincial flood control and drought prevention command today held a meeting on flood control in northern Jiangsu. The meeting called on the people of northern Jiangsu to draw on the experiences gained in combating floods along the Changjiang River in southern Jiangsu, to take precautions and to be prepared against possible large-scale floods and waterlogging.

Chen Ketian, director of the flood control and drought prevention command, presided over the meeting, at which Governor Gu Xiuliang and Vice Governor Ling Qihong made important speeches. Responsible persons of flood control commands in northern Jiangsu's six cities and of relevant provincial departments attended the meeting. The meeting analyzed the flood situation. The third flood crest which appeared in Chongqing is moving downstream. Should it meet with torrential rains in the middle and lower reaches of the Changjiang River, the flood level may exceed that of 1954. Taking into account the fact that dikes have been under water for some time, people in areas along the Changjiang River and in southern Jiangsu should be prepared to combat large-scale floods for some time to come.

In her speech at the meeting, Governor Gu Xiuliang pointed out: Under the leadership of the party committees at various levels, armymen and people in our province have worked hard in unity, achieving tremendous successes in the recent struggle against floods. Now the rainy season has moved northward. Should there be an unbroken spell of wet weather, floods may occur in both northern and southern Jiangsu. The leading comrades in various localities must have a clear understanding of the flood situation. In laying guidelines for combating floods, they should consider that it is necessary to prepare for the worst and strive for the best. Efforts must be made to combat floods in both southern and northern Jiangsu and to engage in production while combating floods.

GUANGDONG GOODWILL DELEGATION LEAVES FOR ZAIRE

OW181758 Beijing XINHUA in English 1504 GMT 18 Jul 83

[Text] Guangzhou, July 18 (XINHUA) -- A goodwill delegation from Guangdong Province, South China, headed by Vice-Governor Yang Li left here this afternoon for Beijing en route to Zaire. The delegation is expected to sign an agreement on establishing official ties of friendship between Guangdong Province and the Equator Province of Zaire and to pay a friendship visit to that country.

This will be the first time that the sister-province relationship is built between China and Zaire.

GUANGDONG URGES GUARANTEEING KEY PROJECTS

HK181056 Guangzhou Guangdong Provincial Service in Mandarin 1000 GMT 15 Jul 83

[Station commentary: "Curb Two Unhealthy Trends To Guarantee the Construction of Key Projects"]

[Text] In accordance with the spirit of the urgent circular of the State Council and the Central Discipline Inspection Commission, the provincial People's Government recently issued a circular requiring that all localities take effective measures before 15 July to check the unhealthy tendencies of randomly raising the prices of the means of production and indiscriminately exacting charges from construction units. All localities, departments, and productive means of supply units immediately responded and took effective measures to correct previous mistakes with concrete action. According to incomplete statistics, only two plants of the provincial metallurgical system, the Guangzhou iron and steel plant and Shaoguan Iron and Steel Plant, were found to have sold more than 40,000 tons of rolled steel at increased prices since the beginning of this year, resulting in an additional income of more than 5 million yuan from the increased prices. The provincial coal system has found more than 83,000 tons of coal at increased prices, yielding an additional income of more than 760,000 yuan. At the same time, the work in other fields concerning the problem of indiscriminately raising the prices of the means of production and indiscriminately exacting charges from construction units has also been carried out conscientiously. Now, some provincial metallurgical, coal, and construction material departments and enterprises have already corrected, in line with relevant stipulations, the past mistakes of raising the prices of the means of production. This shows that our province has taken prompt measures in implementing the urgent circular of the State Council and the Central Discipline Inspection Commission and has achieved good results in this respect. Further efforts will continue to be made so that greater achievements can be scored in the future.

The two unhealthy tendencies of indiscriminately raising the prices of the means of production and indiscriminately exacting charges from construction units have seriously hampered the healthy development of the national economy. If they are allowed to spread unchecked, the costs of industrial production and capital construction projects will inevitably soar. This will not only result in the reduction of the state's financial income and the increase of its financial expenditures but will also dispense and divert the state's financial resources and affect the smooth development of the construction of major projects. To concentrate our financial and material resources on the construction of key projects centering on energy production and communications is an important matter which will lay the foundation for the vigorous development of our economy in the 1990's. It concerns the fundamental interests of the state and the people. Only when the two unhealthy tendencies of indiscriminately raising the prices of the means of production and indiscriminately exacting charges from construction units are checked can we quicken our pace in the construction of the state's key projects.

PLA NAVY COMMANDER ON DEVELOPING HAINAN ISLAND

OW171631 Beijing XINHUA in English 1317 GMT 17 Jul 83

[Text] Beijing, July 17 (XINHUA) -- Planting rubber trees, building tourist facilities and providing transport for an aquatic products company are among the jobs being done by the Navy of the People's Liberation Army to help develop Hainan Island in South China, according to the Navy headquarters. Covering an area of 32,200 square Kilometers, Hainan off the Leizhou Peninsula is the second largest island in China. Its development is now high on the list of priorities for national reconstruction. Special institutions have been set up for this purpose under the navy headquarters and the South China Fleet. A program has been mapped out on the basis of the local government's development plan.

Following an inspection tour of the island, Liu Huaqing, commander of the Navy, called on the Navy forces there to combine the tasks of defending the island and developing natural resources there. Rubber is one of the main items of development on the island. The Navy units there have since early spring this year planted more than 60,000 rubber trees. Another 10,000 are being planted this month. The total will be six times the number of trees planted by Navy units in the past 30 years. Navy units stationed in the Yulin Harbor in the southern tip of the island are helping to build a nearby tourist area covering well over 100,000 square meters. Other units are helping the South Seas Aquatic Products Company with transport facilities, supplies and escort to enable it to operate on the Xisha Islands in the South China Sea.

HAINAN'S LI, MIAO PREFECTURE SIGNS 6 FOREIGN CONTRACTS

HK200745 Haikou Hainan Island Service in Mandarin 0330 GMT 20 Jul 83

[Summary] From January to mid-July, the Hainan Li and Miao Nationalities Autonomous Prefecture's foreign economic and trade departments negotiated with some 50 foreign firms and factories and signed contracts for 6 projects and agreements for 4 projects, with a total investment amounting to nearly \$10 million. The six contracted projects are the Sanya restaurant, a cement brick factory, a soft drink factory, a car-servicing company, a production line for assembling electronic parts and components of a foreign firms, and a tea processing factory. Other projects are under negotiation. As present, import and export activities are being actively carried out.

WUHAN FACES THIRD CHANGJIANG FLOOD CREST

HK191422 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 19 Jul 83

[Text] The third flood peak of the mainstream of the Changjiang River has passed by the Honghu Lake and is heading toward Wuhan City. At 1700 today, the water level at the Wuhan Pass along the Changjiang River reached 28.11 meters, 0.05 meters higher than that recorded at 1700 yesterday, 0.01 meters higher than that recorded at 0500 today, and 0.81 meters above the warning level.

To cope with the new flood peak, the responsible persons of the party and the government of the province, together with more than 500,000 fighters and masses, are vigilantly guarding the flood on the great dike along the river day and night. They have taken various precautionary measures and are ready to fight against the flood at any moment. In Wuhan City, the great antiflood force consisting of many thousands of people are ready to fight against the flood peak. The state economic commission, units under the central government stationed in Wuhan City, the railway bureau, the Changjiang River navigation bureau, and the organs concerned directly under the provincial government are giving all-out support and means of transport are available whenever they are needed.

INITIAL SUCCESS AGAINST FLOODS NOTED IN HUNAN

OW191614 Beijing XINHUA in English 1542 GMT 19 Jul 83

[Text] Changsha, July 19 (XINHUA) -- About 180,000 of the 220,000 hectares of inundated cropland around Dongting Lake in central China's Hunan Province have been drained, the provincial flood control headquarters reported today. More than 800,000 people, including government officials, civilians and Army personnel, are now battling the second highest flood in the area since 1949 when New China was founded.

Dikes totaling 440 kilometers in the lake area have been reinforced and more than 12,000 potentially dangerous sections strengthened to avert possible hazards, officials at the headquarters said. Rescue and flood-fighting equipment and relief materials are being rushed to the scene. But dangers still exist, the officials warned. The water level at the Chenglingji hydrographical station was measured at 34.21 meters yesterday, just 0.34 meters below the all-time record of 1954.

BRIEFS

WUHAN IRON, STEEL COMPANY -- The Wuhan Iron and Steel Company saw an unprecedently fine situation in its production in the first half of this year. The company has fulfilled over 50 percent of steel and iron output specified in the annual plan, achieving an increase of over 10 percent as compared with the same period last year. The output of hot-rolled steel plate significantly increased by 24.9 percent when compared with the same period last year. All 20 principal quality indexes of products manufactured by the Wuhan Iron and Steel company met the state requirement. The company has attained the target of reducing waste by 50 percent in some affiliated factories. In this aspect alone, it has increased its income some 11 million yuan. The profit of the Wuhan Iron and Steel company reached some 286 million yuan in the first half of this year, an increase of 24 percent when compared with the same period last year. The tax money submitted to the state also increased by 16.7 percent over figures from the first half of last year. [Summary] [Wuhan Hubei Provincial Service in Mandarin 1100 GMT 3 Jul 83 HK]

RAINSTORMS CAUSE FLOODS IN YUNNAN'S DEHONG AREA

HK160305 Kunming Yunnan Provincial Service in Mandarin 2300 GMT 15 Jul 83

[Summary] Torrential rainstorms hit Dehong Dai-Jingpo Autonomous Prefecture on 1 and 2 July, causing serious flooding, especially in Yingjiang, Longchuan, and Lianghe counties. "This was the greatest flood disaster in the prefecture since liberation. It inundated 38 villages, marooned over 1,000 of the masses, and flooded 120,000 mu of farmland." After the disaster occurred, the prefectural CPC committee and government immediately organized a work group to direct disaster relief. Comfort groups were also dispatched. Various departments provided full support. By 6 July, the marooned masses had been rescued, and some river dikes, bridges, culverts, and roads had been repaired.

RAIN FALLS IN YUNNAN AFTER LONG DRY SPELL

HK160307 Kunming Yunnan Provincial Service in Mandarin 2300 GMT 15 Jul 83

[Summary] Rain fell over large areas of Yunnan on 13 and 14 July after a long dry spell. "The rain was torrential in the 12 counties of Xuanwei, Luoping, Wenshan, Hekou, Yongsheng, Binchuan, Yongren, Dayao, Yuanmou, Yaoan, Mouding, and Jiangcheng, where over 50 mm fell in 24 hours. Dayao County had 147 mm on 14 July. This rain has somewhat eased the drought in the central and northern parts of the province, especially in Lijiang Prefecture and the northern part of Dali Autonomous Prefecture, which had suffered drought for 3 years. However, little rain fell in the southern part of the province, where the drought remains serious."

YUNNAN MOBILIZATION RALLY TO SAVE ELECTRICITY

HK160231 Kunming Yunnan Provincial Service in Mandarin 2300 GMT 15 Jul 83

[Excerpts] The Yunnan People's Government held an urgent mobilization meeting yesterday afternoon for restricting and saving electricity. Vice Governor Chen Liying presided. The gathering put forward urgent measures for restricting and saving electricity in view of the current abnormal shortage of electric power in the province.

The main contents of these measures are as follows: In the 10 days from 16 to 25 July, the daily power supply from the main provincial grid will be cut from 15 million kwh to 12 million kwh. Power supply will be cut for various units, including non-ferrous metal mines throughout the province, and for production in iron and steel electric furnaces, and of medium plates, the machine-building industry, rubber, yellow phosphorus, calcium-magnesium-phosphatic fertilizer, plastics, and cotton textiles. Power supplies will also be affected in six prefectures and cities and the Yili River area. In addition, from 16 July to the end of the month, there will be rotational cuts in domestic electricity in urban and rural areas.

Vice Governor Zhu Kui spoke at the gathering. He pointed out: The urgent steps to restrict and save electric power now being taken have been repeatedly studied by the departments concerned and carefully considered by the provincial CPC Committee and Government. They must be resolutely implemented. In order to implement this policy decision, it is necessary to grasp the following tasks:

1. Establish the concept of the overall situation. As the power cuts and restrictions are bound to affect production and daily life and cause inconvenience, it is essential to do a good job in propaganda work among the cadres and masses, to explain things.

2. Seriously implement the measures for cutting and restricting power. Units whose power is cut must stop work. Units whose power is restricted must not exceed their targeted power consumption. Key units whose power supply is assured must do everything possible to achieve high quality, high output, low consumption, and high results. They must, as far as possible, recoup the losses of units whose power is restricted. Power for rural drainage and irrigation must, as far as possible, be supplied in the evening.

3. It is necessary to make every effort to save power. The province must ensure the fulfillment of this year's plan for saving 120 million kwh.

4. Make proper arrangements for the various tasks arising after the power cuts come into force. Units whose power is cut must not arbitrarily take vacations. The factories must hurry to overhaul their equipment, train workers, engage in technical study, and plant trees and grass to beautify their environment.

5. It is necessary to strengthen leadership and grasp political and ideological work. Problems and difficulties caused by power cuts and restrictions must be solved in good time.

YUNNAN RADIO URGES EFFORTS TO SAVE ELECTRICITY

HK160252 Kunming Yunnan Provincial Service in Mandarin 2300 GMT 15 Jul 83

[Station Commentary: "Restricting and Saving Electricity is a Big Affair Related to the Overall Situation"]

[Excerpts] The provincial government held an urgent mobilization meeting on 15 July, which put forward urgent measures for further restricting and saving electricity in light of the current serious problem of extreme power shortage in the province. This was a policy decision taken after careful consideration amid the difficult circumstances of sustained drought. All systems, departments, enterprises, undertakings, units, and consumers throughout the province must bear the overall situation in mind and resolutely implement these measures.

As everyone knows, the shortage of power in Yunnan is certainly not starting right now. This problem was already exposed quite clearly in June and July last year. In view of this problem, the provincial departments concerned have adopted a series of measures in exploiting power sources and practicing economy. At the beginning of this year, further readjustments were made in power consumption by the various industrial and agricultural departments in view of the power production situation and the needs of macroeconomic development in the province, to ensure sustained and steady development of the province's national economy in the first half of the year.

However, as a result of the abnormal weather and the sustained serious drought, water supply for the province's two big hydroelectric stations is gradually drying up, while more and more power is being consumed in agricultural drainage and irrigation. In the face of this serious situation, if we did not make a prompt decision to adopt urgent measures for restricting and saving electricity, the province's electric power production would suffer serious damage and could not be revived for a long time. The consequences of that would be unimaginable.

It is precisely in this situation that, after repeated study and careful consideration by the departments concerned, the provincial government has made this policy decision.

YUNNAN WRITERS DISCUSS UNHEALTHY PRACTICES

HK180521 Kunming Yunnan Provincial Service in Mandarin 1100 GMT 14 Jul 83

[Excerpts] According to YUNNAN RIBAO, the Yunnan branch of the Chinese Writers Association held a forum on 12 July to conscientiously study Premier Zhao Ziyang's government work report delivered at the 1st Session of the 6th NPC regarding literary and art work. Participants at the forum reviewed the developing situation in provincial literary and artistic creation since the 3d Plenary Session of the 11th CPC Central Committee and held that the estimate of the government work report on literary and art circles totally conformed with reality.

In recent years, many literary and art publications have been published in the province. A large number of young and new writers are emerging and they have written a number of relatively good literary and art works; in particular, minority-nationality writers are growing in number. However, we must pay much attention to the present trends of merchandization and liberalization in literary and artistic creation, in order to make better progress. We must treat them seriously and resolutely correct the trends. The forum held: One of the reasons leading to this situation is that some literary and art workers have forgotten their due and lofty responsibility and treat their literary and art works and performances as a means to go after fame and wealth.

Premier Zhao Ziyang pinpointed the issue in his criticism, expressing the party's and people's concern and love for literary and art workers. As socialist literary and art workers, we should at no time forget the principles of serving the people and serving socialism. We must set lofty ideals and be strict with ourselves.

The forum had a lively discussion on how to improve the quality of spiritual products. Some comrades said: We must clearly distinguish between the demands of the masses and the interests of the masses. Though they are related, the demands of the people do not necessarily conform with their interests. We must not pander to the backward interests and low tastes of a certain group of the masses. We should make unremitting efforts in our literary and art works to educate people in patriotism, collectivism, socialism, and communism and to strengthen the construction of spiritual civilization.

Some comrades said: We must strengthen literary and art criticism and improve our theoretical level. We must cultivate a healthy atmosphere in criticism and conscientiously carry out criticism and self-criticism. We must dispel unhealthy practices and guard the healthy trends against pollution. We must overcome our own weak points and carry forward our achievements.

BEIJING PROMOTES MORE YOUNGER PEOPLE TO POSTS

OW161038 Beijing XINHUA in English 0737 GMT 16 Jul 83

[Text] Beijing, July 16 (XINHUA) -- Beijing Municipality is promoting large numbers of young people to leading positions, a municipal spokesman said here today. He said that in the past seven months, 279 men and women in their 40s had been promoted to leading positions at departmental and county level. This was the first such move in Beijing in the past few years. It is seen here as part of a national drive to make China's leadership more revolutionized, younger, better educated and more professionally competent.

With these young people in leading positions, the spokesman said, the average age of the city's leadership at departmental and county levels has been reduced to 51 from 57.1 in December, 1982. Of the members of the new leading bodies, 53 percent were university graduates as compared with 28.7 percent seven months before. The spokesman said that the new leaders were selected through recommendation by the masses and public opinion polls and with approval from the municipal leadership as a collective.

The spokesman also said that many veteran leaders have retired from day-to-day work. They have either become advisers or retired for good with full pay.

BEIJING RESIDENTS SPEND MORE ON FOOD, CLOTHING

OW191409 Beijing XINHUA in English 1143 GMT 19 Jul 83

[Text] Beijing, July 19 (XINHUA) -- Beijing residents are spending more money on food, clothing and other daily necessities, the BEIJING DAILY reported today. The paper said that in the first half of this year the city's retail sales increased by 13.14 percent as compared with the same period last year. Of this increase, the paper said, sales of food rose by 12.3 percent, clothing by 14 percent, and other daily necessities by 14.5 percent. The total price index remained at about the same level as last year, according to reports of the Municipal Statistics Bureau.

The paper also listed major changes that have taken place in the demand and supply on the Beijing market:

-- Suburban farmers' income registered further increases as a result of the good harvest in summer crops, and urban workers' actual earnings rose by 17.8 percent, resulting in a continuous growth in purchase power;

-- The residents are more careful about nutrition, buying more food rich in protein and low in fats; more conscious about good-quality clothes in the latest fashions, and more interested in purchasing electrical appliances including refrigerators, washing machines, and color TV sets;

-- About 20 percent of the commodities on the local market, among them the above-mentioned appliances, fell short of demand while 30 percent, including bicycles and plastic items, were in oversupply.

The paper said that the municipal government had decided to take measures to balance demand and supply to suit the new situation.

BEIJING PEASANTS IMPROVE DAILY DIET STANDARD

OW191411 Beijing XINHUA in English 1148 GMT 19 Jul 83

[Text] Beijing, July 19 (XINHUA) -- Peasants in Beijing's suburbs have improved their daily diets, and have reached China's national nutrition standard, a spokesman from the Municipal Statistics Bureau said today. The spokesman said a recent sample survey of 480 suburban households showed that each peasant received an average of 2,692.4 calories and 75.9 grams of protein a day in 1982. Chinese nutritionists regard a per-capita daily average of 2,600 calories and 75 grams of protein as sufficient.

According to statistics, Beijing's suburban peasants averaged 1,821.5 calories and 56.1 grams of protein daily in 1964. The figures were 2,489.6 calories and 70.3 grams in 1978, still below the standard set for the country. As compared with 1978, the spokesman said, suburban peasants consumed much more nutritious food in 1982. He listed the increase in rates of consumption for some foods as follows (1982 versus 1978): grain, 5.5 percent; animal oil, 117.4 percent; eggs, 113 percent; wine and liquor, 105.6 percent; fresh fruits, 92.1 percent; aquatic products, 83.3 percent; pork, beef and mutton, 73.5 percent; and sweets and pastry, 75 percent.

The spokesman said the peasants' nutrition patterns also changed towards receiving more calories and protein from animal sources than from plants. The spokesman attributed the marked improvement in nutrition to an expansion of production and an increase in peasants' income. "China's flexible economic policies have sparked the peasants' enthusiasm," he said. "The diversified economy has brought them more food and cash income." He said the peasants' average annual per-capital income increased from 224.8 yuan in 1978 to 430 yuan (about 215 U.S. dollars) in 1982.

CRIMINAL ELEMENTS ACTIVE AMONG BEIJING PEDDLERS

OW180551 Beijing XINHUA Domestic Service in Chinese 0140 GMT 14 Jul 83

[Letter from XINHUA reporter Chen Xianxin: "Resolutely Deal with 'Black Sheep' Lurking Among Individual Business House Holds"]

[Excerpts] Beijing, 14 Jul (XINHUA) -- The individual economy in Beijing Municipality has made substantial progress this year and the employment rate is more than double that in last year. While the great majority of individual households are law-abiding and honest in business transactions, a handful of lawless elements, mingling with individual households, have engaged in economic speculation for exorbitant profits and in other criminal activities greatly undermining social and market order. These lawless elements have been rude and unreasonable in making deals. They verbally abuse and beat up customers and even carry concealed weapons threatening the lives of customers. Some set up stalls without a license and force customers to buy things from them when they examine and price the merchandise. They verbally abuse and beat up customers when the latter refuse to buy.

Since the beginning of this year a number of cases of violence and murder have been reported among individual peddlers as a result of disputes in business transactions. An investigation shows that many hoodlums and persons released from prison after serving their terms carry murderous weapons with them threatening customers and market management personnel and undermining public order in the capital.

Most of these lawless elements, mingling with individual business households, operate without a license; many are persons released from prison without having been properly reformed; some are jobless youths and others are workers and staff members holding jobs. They are "black sheep" among the individual business households who have given a bad name to the individual business households. There are more than 14,000 individual business households in Beijing Municipality; judging from market demands and people's needs, this number is far from sufficient. However, we must never let these "black sheep" carry on their business and commit crimes. Unless they are resolutely banned, the interests and safety of consumers and legitimate business operators cannot be protected and market order cannot be maintained; if this situation is allowed to develop, "northern overlords" and "southern overlords" will surface again. Public security organs in Beijing Municipality have recently taken measures to deal with the situation. Industrial and commercial administrative departments in Beijing have also made all-out efforts to check and outlaw peddlars operating without a license and individual households doing business against regulations. Various districts have also set up offices for the maintenance of order in the markets. All these measures and methods are necessary. But the broad masses hope that decisive and forceful measures will be taken to resolutely suppress the principal offenders committing violent crimes, severely punish criminals, outlaw peddlars operating without a license and strengthen management of individual business households so as to maintain market order and public security in the capital.

SOCIALIST ETHICS DRIVE TRANSFORMS HEBEI AREA

OW171654 Beijing XINHUA in English 1358 GMT 17 Jul 83

[Text] Shijiazhuang, July 17 (XINHUA) -- China's current drive to develop socialist culture and ethics has helped transform a north China area once notorious for its chaos during the "Cultural Revolution," into one of the best in the country, according to local authorities.

Baoding Prefecture in Hebei Province was rife with infighting, lawlessness and political instability during the "Cultural Revolution" and gambling, stealing, superstition and extravagance in wedding and funeral ceremonies during the first few years after it was brought to an end in October 1976. The People's Liberation Army units stationed in this area decided to change all this and they began by joining the local people in fostering socialist culture and ethics in the winter of 1981.

First, they encouraged local members of the communist party to set an example in observing law and discipline, serving the people wholeheartedly, and working selflessly for the revolution. While taking the lead in all this, the local communists built close ties with the people and encouraged them to work together to improve social conduct.

Then, the PLA troops widely publicized the deeds of exemplary people and families in the area and asked all others to emulate them in a joint effort to improve social conduct and public order.

Third, the troops took pains to educate those guilty of minor offences in socialist morality and legality.

Fourth, the troops gave wide publicity to the government's rural policies while advising the peasants on trying to improve their lot through labor and cooperation and guard against seeking personal gains at the expense of collective interest. At the same time, the troops also taught the peasants methods of scientific farming.

Fifth, the troops helped the peasants build sanitation facilities, repair roads, and tidy up their villages generally.

The experience gained in the experimental villages was later spread to many others in the area, local authorities said. Now, people here are polite to one another, willing to help and work collectively, and eager to learn and acquire knowledge of modern science and technology.

Many young people have formed groups to help those in need, and these groups have repaired 3,000 kilometers of road and 70 bridges through voluntary labor in the past year. One thousand villages in this area have set up their own evening technical schools and 2,800 villages have scientific groups involving a total of 69,000 people. Similar efforts to improve social conduct and public order through developing socialist culture and ethics are being made in other parts of China.

HEBEI RIBAO REPORTS ON ZHANG SHAOXIAN CASE

HK181243 Shijiazhuang HEBEI RIBAO in Chinese 27 Jun 83 p 4

[Report by Li Qingjiang and Wen Enxiu: "Zhang Shaoxian, Deputy Secretary of Luannan County CPC Committee, Dismissed for Rejecting Guidelines of 3d Plenary Session of 11th CPC Central Committee"]

[Text] For rejecting the guidelines of the 3d Plenary Session of the 11th CPC Central Committee, dealing blows at and persecuting cadres, undermining party style, and seriously violating the law and discipline, Zhang Shaoxian, deputy secretary of the Luannan County CPC Committee was dismissed, with the approval of the superior party organization, from his posts of deputy secretary of the county CPC Committee and secretary of the political and legal committee. The final settlement of his issue will be made as soon as a thorough investigation into his case is completed.

During the "Cultural Revolution," Zhang Shaoxian, who was then an acting secretary of the working committee, was transferred to undertake the post of first deputy director of the revolutionary committee of Luannan County secondary school. As soon as he took up the post, he vigorously promoted white terror, inciting some hoodwinked students to wage ruthless struggle against the members of the school's leading body, thus persecuting three leading comrades of the school to death. Framed up by Zhang Shaoxian, deputy school principle Li Guanshan, an old party member and veteran cadre, underwent repeated ruthless struggles and was so cruelly tortured that he spat blood profusely. Even when Li Guanshan was in a critical condition, Zhang Shaoxian tried to get "live evidence" from Li's mouth, inciting students to extort a confession from him on his deathbed in the hospital, thus hastening his death. After the third plenary session, as county CPC Committee deputy secretary in charge of the implementation of the policy, Zhang Shaoxian made use of different mean tricks, such as delaying and rejecting the implementation of directives and covering up facts, in refusing to implement the party's policies and to redress those unjust, false, and wrong verdicts. The family members of the three persons who were persecuted to death in the case of the Luannan County secondary school repeatedly called for a thorough redressing of their verdicts. However, Zhang Shaoxian rejected their request every time. Later, in the face of pressure of public opinion, he was forced to partly fulfill their requests. The county CPC Committee classified these cases as important ones and planned to conduct investigations into them.

Zhang Shaoxian, who himself had taken part in making the decision, agreed to carry out the decision in the open but secretly ordered the person "in charge of implementation" not to "reconduct the investigation into" the case of the secondary school. Although the Luannan County secondary school wrote two reports and the prefectural department concerned repeatedly issued directives, urging him to hold a memorial meeting for the late deputy principal of the school, Liu Kui, who was also a former member of the provincial CPPCC Committee and former deputy to the provincial People's Congress, Zhang Shaoxian, making use of various pretexts, refused to carry out the order. Even at the latest meeting of the Standing Committee of the county CPC Committee, he still insisted on his view that Liu Kui was of exploiting-class origin, and refused to correct his mistake. Zhang Shaoxian not only tried by every means to shirk his responsibility for fabricating those unjust, false, and wrong verdicts, but also shielded some people who had committed serious mistakes in the "Cultural Revolution," and, moreover, appointed them to important posts during the period when he was in charge of the implementation of policy in the county. As he did not have the least sympathy with those persecuted, the work of implementing the policy in the county was seriously interfered with and undermined.

As deputy secretary of the county CPC committee, Zhang Shaoxian ignored the organizational principle and made use of his power to seek personal interests. In October 1980, he ordered a deputy section head of the county personnel department to look for a partner in marriage for his son among those graduates from universities or technical secondary schools. By searching the files, that deputy section head selected a college graduate as the candidate, and Zhang Shaoxian immediately took her file home. Having seen the photo and the family background of that young lady, the Zhang family was satisfied. So, Zhang Shaoxian sent that deputy section head to negotiate with Xu Zengfu, the father of the young lady about the marriage. Xu resolutely turned down Zhang's offer and showed strong resentment against the latter's illegal act of searching others' files without authorization.

Last spring, Zhang Shaoxian personally searched personnel files again and, in collaboration with that deputy section head, finally found a marriage partner for his son. Harboring hatred for Xu Zengfu, who turned down his offer, Zhang Shaoxian waited for an opportunity to retaliate. Xu was wrongly penalized when he was serving in the ranks. After being demobilized from the Army, he was appointed to a position with a lower rank. The PLA unit which Xu originally belonged to later cancelled its wrong decision on Xu's case, and suggested that his position should be readjusted. However, when someone, at a meeting on the implementation of the policy, reminded Zhang Shaoxian that Xu's issue should be redressed, he replied in an ironical manner: "Is it that guy called Xu?..." So far Xu's issue has not yet been solved.

Zhang Shaoxian seized the organizational power for many years. In order to fulfill his personal desire, he ignored party discipline and state law in making political deals. When he was holding the post of director of the organizational department of the county CPC Committee, he got to know a man called Wu who was then deputy director of a certain hospital in Tangshan. Making use of Wu and other relationships at different levels, Zhang Shaoxian managed to get his son, who was then in service in another place, transferred to work in that hospital. In 1977, Wu's wife, who already had two daughters, was pregnant for the third time. In order to cheat the organization and in the hope of having a son, Wu looked forward to Zhang Shaoxian's help, asking the latter to get his wife transferred to Luannan County. Although he knew that Wu's wife had violated the regulations on family planning, Zhang Shaoxian was directly involved in arranging a job for Wu's wife in the Luannan motor transport station in violation of the legal transferring procedure. Four months later, Wu's wife had a baby boy. As Wu had fulfilled his dream, Zhang Shaoxian once again assisted Wu's wife in getting her retransferred to Tangshan.

Undermining party style all the time, Zhang Shaonian also committed rather serious mistakes in helping his relatives to get transferred to new positions and in purchasing by illegal means timber owned by the state.

After these problems were exposed, Zhang Shaonian refused to honestly confess his mistakes but tried to shirk his responsibility by every means. He stealthily took the minutes of meetings of the Standing Committee and the files concerned back to his home, and secretly held meetings with his family members, relatives, and friends to deliberate on the countermeasures. Later, he even hid out for 1 month in the hospital which Wu belonged to under the pretext of illness.

TIANJIN PLANS FOR CONSOLIDATING PUBLIC SECURITY

SK160925 Tianjin City Service in Mandarin 0030 GMT 16 Jul 83

[Summary] "In line with the present public security problems, the municipal People's Government recently mapped out plans for consolidating public order and dealing blows to illegal and criminal activities, urging all public security and political and legal departments at all levels and various departments and units across the municipality to go into action to resolutely implement the principle of comprehensively handling cases and to do a good job in this regard. Specialized organs must cooperate with administrative units. Efforts must be made to integrate dealing strict blows to criminal activities with preventing criminal activities, to extensively conduct education on the legal system, and to create powerful public opinion aimed at stopping violations of law and criminal activities so as to ensure smooth progress in the socialist four modernizations.' Presently, we must grasp well the following points:

1. Enhance understanding, strengthen leadership, and comprehensively and correctly implement the principle of overall handling of criminal cases.
2. Deal rapid and heavy blows to serious criminal activities in accordance with the law. Serious illegal activities which cause great harm must be strictly dealt with. All illegal gains must be confiscated. Open trials must be conducted to mete out sentences for serious criminals.
3. Conscientiously consolidate public security in markets. To consolidate market order and to protect legal businesses, it is necessary to ban businesses without licenses. According to the municipal commercial bureau, there are several thousands of business units operating without licenses. Relevant departments may issue temporary licenses to individual traders if they want one. Commercial management must be intensified. Products in short supply or products which are to be sold at a fixed amount must not be sold to peddlers. Violators must be called to account.
4. Strengthen the building of public security contingents.
5. Deeply carry out education on the legal system so as to enhance the people's sense of discipline. In the course of dealing blows to criminal activities, it is necessary to grasp exemplary cases to educate the people. Regular propaganda on the legal system must be conducted so that the people will understand the dignity of law and the serious consequences of violating it. CYL members must take the lead in struggling against evil. Efforts must be made to mobilize the masses to take the initiative in maintaining social order and in stopping and exposing all kinds of illegal acts.

TIANJIN READJUSTS CAPITAL CONSTRUCTION PROJECTS

SK171112 Tianjin City Service in Mandarin 0030 GMT 17 Jul 83

[Text] According to XINHUA, since the state-assigned 1983 capital construction investment plan has not been exceeded, Tianjin Municipality has reexamined and readjusted the capital construction projects arranged at the beginning of the year and strictly controlled their scope so as to concentrate human, financial, and material resources on key projects and to ensure their construction.

Taking the whole situation into account, the Tianjin Municipal People's Government instructed the municipal Construction Commission to separately reexamine all capital construction projects. After conscientiously reexamining the 449 projects listed in the original plan, it decided to list 99 projects as major ones in such spheres as energy, transport, post, and telecommunications, light and textile industries, development of talented persons, technical transformation, and civil public utility facilities that are urgently needed in the people's daily life. Some projects which do not have favorable conditions for construction have been suspended and investment in some projects has been withdrawn. Seven key projects, including the building of a materials plant and the No 3 telephone subbureau, due to their rapid construction and good quality, have received additional investment and material ahead of schedule. The construction forces have been strengthened to ensure the completion and operation of these projects within this year. In addition, the Tianjin Municipal People's Government has transferred some 300 engineers, technicians, and experts from relevant scientific and technical research units, institutions of higher learning, plants, and enterprises to form 45 examination groups to examine the municipality's 346 technological imports this year. In line with the opinions of these experts, the municipality canceled 23 projects. Discussions on whether to cancel or to carry out another 36 projects are proceeding.

BRIEFS

NEI MONGOL FINANCIAL REVENUE -- Nei Monggol Region fulfilled 53.9 percent of the annual financial revenue plan in the first half of 1983, an increase of some 30 percent over the same 1982 period. About 62.5 percent of the annual revenue budgetary plan set for industrial enterprises was fulfilled, an increase of 76.3 percent over the corresponding 1982 period, and about 48.8 percent of the annual commercial tax plan was fulfilled, an increase of 7.5 percent over the same period in 1982. [Summary] [Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 15 Jul 83 SK]

NEI MONGGOL LIVESTOCK -- Ongniud League, Nei Monggol Region, reaped a bumper harvest in animal husbandry in 1983. By the end of June, the total number of livestock in this league reached 1,015,670. The net increase of large animals was 5.6 percent and the increase in cattle reached 7.1 percent. There were 265 households each with 100 head of livestock, an increase of 87 households over the corresponding 1982 period. [Summary] [Nei Monggol Regional Service in Mandarin 1100 GMT 15 Jul 83 SK]

TIANJIN SUMMER GRAIN HARVEST -- Tianjin reaped a bumper harvest of summer grain in 1983. To date, some 38.99 million jin of summer grain have been procured, an increase of 29.66 million jin over the same period in 1982, 5.4 percent above the state-assigned procurement plan. At present, peasants are selling surplus summer grain to the state. [Summary] [Tianjin City Service in Mandarin 0030 GMT 16 Jul 83 SK]

JILIN MEETING ON PARTY MEMBER EDUCATION

SK190950 Changchun Jilin Provincial Service in Mandarin 1030 GMT 18 Jul 83

[Excerpts] After a 3-day session, the provincial conference to exchange experience in party member education work concluded in Changchun today. The conference urged party organizations at all levels to conscientiously implement the guidelines of the relevant documents of the central authority, to further raise the quality of party member education work, to continue carrying out party member education work thoroughly and to mentally prepare for rectifying the party in a comprehensive manner.

The conference was jointly held by the propaganda department, the organizational department and the Discipline Inspection Committee of the provincial CPC Committee. Attending the conference were directors of the propaganda departments and organizational departments of all city, prefectural, autonomous prefectural and country CPC Committees, secretaries of all discipline inspection committees and responsible persons of all provincial-level committees, offices, sections and bureaus, party committees of provincial-level organs, industrial and mining enterprises, universities and colleges, and relevant departments.

Comrade Liu Jingzhi, secretary of the provincial CPC Committee, summed up the conference. The conference held: Since the 12th party congress and especially since the national and provincial party member education work conference, all localities of our province have generally carried out party member education focusing on the new party constitution, in the light of the guidelines of the directives of the central authority and the provincial CPC Committee, and achieved remarkable results. By the end of this June, over 690,000 party members, or 80 percent of all, across the province had been trained in rotation. Through study, the broad masses of party members comprehensively and systematically understand the new party Constitution and further strengthen their awareness of being qualified party members.

The conference urged: The key to strengthening party building is that leaders of party committees at all levels should further have a definite understanding of adhering to the steadfastness of the party and of preserving the purity of the party. Party member education work should lay stress on grasping the education of communist ideology, be carried out with communist ideology, criticize wrong ideas, and adhere to vigorous ideological struggle.

On the basis of comprehensively and systematically studying the new constitution, from now on, we should educate party members with special subjects, such as ideals, beliefs, principles, policies, aims, disciplines and democratic centralism of the party. At the same time, we should link party member education work with education in party spirit, party work style and party discipline to seriously eliminate the unhealthy practices within the party.

The conference stressed: We should center party member education on leading cadres at and above county levels. Party committees at all levels should further strengthen the leadership and regard party member education as a key task to attend to it. In particular, persons holding the primary responsibility should attend to the work in person, exercise specific leadership, further thoroughly conduct party member education work and make mental preparations for rectifying the party in a comprehensive manner.

QINGHAI CIRCULAR ON ENROLLMENT MALPRACTICES

HK200841 Xining Qinghai Provincial Service in Mandarin 1100 GMT 18 Jul 83

[Text] Recently, the Qinghai Provincial Discipline Inspection Commission and the provincial enrollment committee for institutes of higher learning jointly issued a circular on opposing and curbing unhealthy tendencies in enrollment work. The circular said: Leading cadres at various levels, party cadres, and all personnel taking part in enrollment work should become models in opposing and curbing unhealthy tendencies, conscientiously observe various regulations of enrollment work, and have a correct approach toward their children's advancement to colleges and universities. No one is allowed to request an early inspection of marks and lists of students enrolled, to write notes asking for preferential treatment, or to practice fraud to profit himself. The circular stressed that all enrollment departments, recruiting colleges, and universities, and comrades taking part in enrollment work, should conscientiously implement enrollment regulations, uphold standards, and act according to the regulations. Those who violate discipline, practice fraud, or bring about deplorable consequences owing to neglect of duty in enrollment work will be promptly investigated and dealt with sternly. The enrollment personnel who abuse their powers and deliberately break the law will be severely punished.

XINJIANG CIRCULAR ON UPHOLDING SCHOOL ORDER

HK200747 Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 19 Jul 83

[Text] According to our reports, the Xinjiang Regional Public Security Department and the Xinjiang Regional Education Department jointly issued a circular on upholding school order in order to ensure smooth teaching work. The circular reads as follows:

1. No person or vehicle is allowed to enter or leave a school without permission of the school. No one is allowed to make trouble, to fight, to behave like a hoodlum, or to carry out other activities which disturb teaching work or scientific research, or endanger public safety, in school.
2. No person or unit is allowed to seize or to damage school property such as buildings, land, and facilities.
3. No one is allowed to insult or beat any student, teacher, or staff member, to take liberties with any woman teacher or student, or to endanger the personal safety of any student, teacher, or staff member.
4. No hawker or pedlar is allowed to do business in school by setting up booths or carrying goods around in baskets.
5. No one is allowed to bring into school, without permission, inflammable, explosive, dangerous, radioactive, or poisonous materials. No one is allowed to carry weapons or to shoot in school.
6. No one is allowed to write, duplicate, copy, or read reactionary or obscene books or pictures, or other obscene material. No one is allowed to keep, duplicate, or play reactionary or obscene audio or video tapes.

Offenders against this circular shall be punished according to the PRC public security management and punishment regulations and school regulations. Serious offenders who have committed crimes shall be punished according to the PRC criminal law.

LIAOWANG ARTICLE ON CHINA REUNIFICATION SYMPOSIUM

HK200334 Beijing ZHONGGUO XINWEN SHE in Chinese 0043 GMT 20 Jul 83

["LIAOWANG Carries an Article Entitled 'Exploring Ways to Peaceful Reunification'" --
ZHONGGUO XINWEN SHE headline]

[Text] Beijing, 20 Jul (ZHONGGUO XINWEN SHE) -- Issue No 7 of the journal LIAOWANG, published today, carries an article by Peng Di and Qian Xing entitled "Exploring Ways to Peaceful Reunification." This article comprehensively rounds up the symposium "Prospects of China's Reunification" held in San Francisco, the United States, on 26 March this year.

After reviewing various views concerning the motherland's reunification which were put forward by scholars attending this symposium, the article says that people in San Francisco had the impression that contradictions between the mainland and Taiwan are not totally irreconcilable [bing bu shi gen ben bu ke tiao he 0017 0008 2508 2704 2609 0008 0668 6148 0735] ones. No one thought during the symposium, nor before and after it, that the situation of China being split should be continued indefinitely. Nor did anyone oppose making efforts to look for a compromise plan. Everybody believed that China should and can be reunified by peaceful means and that the question at present is only the ways and opportunity for doing so.

The authors of this article have summed up four characteristics of this symposium:

1. This symposium was carried out in a relatively even-tempered and good-humored atmosphere, basically showing the demeanor of scholars. Although there were many differences, even big differences, in the understanding and views on the history and the present among scholars from the mainland or from Taiwan, or among noted figures and specially invited specialists, most of them did not resort to sticking labels on others, demand that others give up or accept certain views as a prerequisite, or contend over abstract notions. They chiefly exchanged views on substantive questions.
2. No participants in the symposium proceeded by trying to increase or create differences. In addition to listing differences and difficulties, they seriously analyzed the causes of these differences, explored ways to reduce and eliminate these differences, and endeavored to find common ground.
3. Most of the participants proceeded from reality and, according to results of their research on China's problems, aired their views on how to solve concrete problems which hinder reunification.
4. The scholars showed an appropriate sense of history. While paying much attention to historical experience, they did not get entangled in old scores.

The article discloses that a "continued symposium" to discuss China's reunification will be held this autumn. Discussions on notions, ways, opportunities, and conditions for reunification will then be continued.

In conclusion, the article says that China's reunification is a major issue in the world history of the 20th century. The "Prospects of China's Reunification" symposium has conveyed a new signal to all the people of China and the world. We hope that the bold attempts of this symposium will bring about even greater positive development of the great cause of peace in China.

PREMIER ADDRESSES NATIONAL DEVELOPMENT SEMINAR

OW181303 Taipei CNA in English 1018 GMT 18 Jul 83

[Text] Taipei, July 18 (CNA) -- Premier Sun Yun-hsun called on participants to the 1983 National Development Seminar to use their collection wisdom, offer new ideas and make concrete proposals to promote the transfer of scientific and technological know-how into this nation. Premier Sun made the remarks at the opening ceremony of the seminar held at the Armed Forces Officers' Club. The premier also urged the scholars and experts from home and abroad attending the meeting to make thorough discussions in the following three points:

-- Providing the latest development and knowledge of five important science and technology fields to the public. They are: computer-based education, electro-optics, biotechnology, epidemic research and prevention, and food processing technology.

-- Evaluating this nation's science and technology development strategy and suggesting the measures this nation should take.

-- Encouraging the overseas scholars to actively participate in the transfer of latest scientific and technological know-how.

Premier Sun also expressed his gladness that some scholars who fled from the mainland China are among the 116 participants to the meeting. Premier Sun said this is good start. He expressed the hope there will be more Chinese scholars from every corner of the world to participate in the meeting to expedite the work of national reconstruction.

Chiang Message

OW181501 Taipei CNA in English 1353 GMT 18 Jul 83

[Text] Taipei, July 19 (CNA) -- President Chiang Ching-kuo Monday called on the experts and scholars who are attending the 1983 National Development Seminar to dedicate their wisdom to creating a bright future for the nation. President Chiang sent a congratulatory message to the seminar which opened Monday morning at the Armed Forces Officers Club. In his message, the president expressed his belief that with their great learning and valuable experience, all the participants will offer concrete proposals and make the seminar a success.

The government has sponsored several such seminars, aiming to promote mutual understanding, to build a stronger sense of responsibility and to pool the participants' intelligence and power to work out effective measures to speed up national development here, the president pointed out. The success of the past seminars has not only given participants opportunities to offer their opinions to the government but also set up a channel of contact and communication for Chinese talents at home and abroad, the president said. The government has stressed science and technology development as its administrative targets to accelerate modernization in the country. It encourages public and private institutes to introduce and transfer the latest technical know-how from abroad and make them root and grow in the country, President Chiang stated.

In line with the government policy, this year's seminar will center discussions on five topics for science and technology development here, President Chiang said. He urged the participants to exert themselves with all their learning to help the government push the policy ahead. Progress on this bastion of freedom during the past decades, President Chiang indicated, will be a blueprint for future development work on the Chinese mainland after it is recovered. Their attendance at the meeting will help the participants from abroad know more about the country and deepen their confidence in the nation's future, he stressed.

President Chiang said he is sure that the success of the seminar will mark a big step forward for the nation in moving toward a bright future.

PREMIER RECEIVES SOUTH AFRICAN MINISTER

OW191435 Taipei CNA in English 1337 GMT 19 Jul 83

[Text] Taipei, July 19 (CNA) -- Premier Sun Yun-hsuan Tuesday afternoon received Dr Pieter Gerhardus Jacobus Koornhoff, minister of cooperation and development of the Republic of South Africa, and his wife at the Executive Yuan. Premier Sun extended his hearty welcome to Minister Koornhoff, for his visit to his country. They exchanged opinions on matters of mutual concern.

In the morning, the South African dignitary called on Secretary General Shen Chang-huan of the National Security Council. He also visited the Council for Agricultural Planning and Development and heard a briefing there. In the evening, Minister Koornhoff and his wife were guests of honor at a dinner given by Tsiang Yien-si, secretary general of the Kuomintang Central Committee. Wednesday, the Koornhoffs will proceed to southern Taiwan to tour the economic complexes of the country including the China Shipbuilding Corp. and the Nantzu Export Processing Zone.

SCIENCE COUNCIL ORDERS LABORATORY SHIP FROM NORWAY

OW181305 Taipei CNA in English 0937 GMT 18 Jul 83

[Text] Taipei, July 18 (CNA) -- The National Science Council (NSC) has signed a contract with a Norwegian shipbuilder for the construction of a lab ship. The ship will cost NT dollars 240 million (U.S. \$6 million) with delivery scheduled for October 1984. The government is building a wharf exclusively for the ship at Suao. Premier Sun Yun-hsuan, in approving the deal, told the NSC to take good care of the ship, and got a pledge from the NSC that no second lab ship would be needed for the next 20 years. The NSC will be treating the ship as a "floating valuable instrument" and making it available to public and private research institutions. The National Taiwan University is drafting a measure on the utilization and maintenance of the ship.

The yet unnamed ship will be 50 meters long, 10 meters wide, and 1,050 tons in weight. It is slightly bigger than the research vessel Chiu Lien the only one of the NSC has. The Chiu Lien is a gift from the United States. It was built as a rescue tug during World War II. It was rigged as research vessel after it was given to the Republic of China. The new lab ship will be better equipped than the Chiu Lien in every respect. The Chiu Lien needs 24 crew members to operate. The new ship, with automation and the latest electronics equipment, needs only 14. Thus, there will be more space to accommodate researchers. While the Chiu Lien can operate only between 120 and 150 days a year, the new ship can remain on the sea for 200 to 250 days a year.

TAIPEI NOTES CHANGE IN U.S. RELATIONS WITH PRC

OW200035 Taipei International Service in English 0100 GMT 19 Jul 83

[Station commentary]

[Text] American relations with Red China have changed sharply in recent months and will continue to change. Gone for good is the hope that there is a Chinese Communist card to play against the Soviet Union. This is recognition of realism. Whatever is to come between the United States and the Soviet Union, the decisions will be reached by those two countries. The Chinese Communists will have no role to play.

Essentially this is a matter of Red Chinese weakness. From Richard Nixon to Jimmy Carter, American presidents made the mistake of thinking that Red China was powerful because it had a vast territory and a billion people. Now the recognition has dawned that mainland China is weak for these very same reasons. The (?huge) territory is vulnerable to the Soviet Union; all those people are liabilities because they must be fed, clothed and sheltered. Association with Peking can only drag Washington down in any confrontation with the Soviet Union; the United States would expend its strength defending Red China instead of itself. In opposing the Russians the United States is far better off in an association with Japan, ASEAN, South Korea and the Republic of China than with Red China. The realization of this has led to the change in American policy. Almost nothing is heard these days of arming the Chinese Communists. No one supposes that Red China can modernize and become a power to outstep Red Russia. This new realism has resulted in a slow change in official American policy.

No one should expect that there will be any immediate return to hostility between the United States and Red China. The Chinese Communists will grumble about the U.S. failure to enter into an anti-Russian alliance, but they will not turn against the United States. They will still hope to get something in the way of technological assistance. Meanwhile, there will be Red Chinese overtures toward the Soviet Union. In other words, the Chinese Communists will follow a middle course, getting what they can from the United States and trying to placate the Russians and avoid a head-on collision.

Other factors will be at work. The Chinese Communists can save themselves only by renouncing communism. Yet they cannot do that without losing their privileged positions, without giving up their position as an elite. However, the millions of anticommunist and noncommunist mainlanders will become increasingly aware that the Red regime has failed. It has failed to modernize the mainland and has no hope of doing so. It has failed to win over the United States and it now finds relations with that country steadily deteriorating. It has failed to convince the people that the Republic of China is not a valid example of modernization and prosperity.

In time, this may have a drastic result: the regime that fails [words indistinct] the regime that falls. Those billion people could overthrow the communists almost overnight. Why don't they? Fear is involved. The people remember the excesses of the Cultural Revolution. They are afraid of their repetition. But if the people stood together against the communist leadership, it would have no chance. Once they followed Mao Tse-tung blindly, many thought he was right. That could not happen again. The people now know that Mao was wrong. He almost destroyed China.

Looking across the Taiwan Strait, the mainland people see a China that has succeeded. They see prosperity and freedom. These are the same people with the same opportunity. In the real sense, they have nothing to fear but fear itself. If they follow the example of the Free Chinese, the Communists could not withstand their assault. [as heard] That was shown in the defense of Taiwan. In a way, the Communists will stop at the water's edge. If the Free Chinese had been afraid, there would be no Free China. The Communists would have kept on coming, and Taiwan would have disappeared behind the Iron Curtain.

Changes in American policy toward Red China are taking place for sound reasons. Chinese Communism is losing ground. It is now [words indistinct]. The era of freedom is about to dawn for all Chinese.

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